

**EXAMINATION OF PUBLIC RELATIONS
CONTRACTS AT THE GENERAL SERVICES
ADMINISTRATION'S HEARTLAND REGION**

HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON CONTRACTING
OVERSIGHT

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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EXAMINATION OF PUBLIC RELATIONS CONTRACTS AT THE GENERAL SERVICES ADMINISTRATION'S HEARTLAND REGION

TUESDAY, MARCH 1, 2011

U.S. SENATE,
AD HOC SUBCOMMITTEE ON CONTRACTING OVERSIGHT,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:07 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Claire McCaskill, Chairman of the Subcommittee, presiding.

Present: Senators McCaskill and Portman.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. This hearing will come to order and, first and most importantly, before we do anything else, I want to welcome the new Ranking Member of the Committee, Senator Rob Portman. It is an honor to have you. I think we do great oversight work here.

It is not always the sexiest topic that we handle in the Senate, but it is really important because of the amount of money that is spent on contracting in this government has exploded and the oversight, at the same time, has not been as aggressive as it needs to be.

So, I will look forward to working with you, and I am glad that you are somebody who has a great deal of experience in the Federal Government. I think you are going to be a tremendous asset to this effort and—not that I had any say as to who it was going to be, but I do not think the Republican Party could have picked a better person to be the Ranking Member of this particular Subcommittee, and I welcome you heartily.

Senator PORTMAN. Thank you, I appreciate it.

Senator MCCASKILL. This hearing will now come to order.

Today's hearing focuses on public relations (PR) contracts awarded by the General Services Administration (GSA). There are probably many Americans who have never heard of GSA, but GSA is the government agency that manages Federal property, including Federal buildings and courthouses across the country.

GSA also administers hundreds of billions of dollars of contracts known as the Federal Schedules, which are used by other Federal agencies to buy goods and services.

(1)

The contracts we are here to discuss today were awarded by GSA to help respond to concerns about the way GSA was managing the Bannister Federal Complex in Kansas City.

For those who do not know Kansas City, the Bannister Complex covers over 300 acres and has over 2,000 Federal employees and 2,300 contractors working on its grounds.

Part of the complex, the Kansas City Plant, was originally built in 1942 to manufacture airplane engines for the Navy, and since 1949, has produced non-nuclear components for nuclear weapons.

Today, the Department of Energy (DOE) administers the Kansas City Plant and the GSA administers the rest of Bannister.

Because of environmental contamination that happened at Bannister from the 1950s through the 1970s, the Federal Government has spent the last few decades working to clean up the pollution and testing to ensure that the facility is safe for the thousands of Federal employees who work there.

In the past 2 years, a number of new reports have surfaced regarding environmental and health concerns at Bannister, and new investigations have been launched of the complex's safety, including a review by the GSA Inspector General (IG).

To respond to these investigations, in February 2010 GSA awarded a contract to a small public relations company in Kansas City called Jane Mobley Associates (JMA).

Now, one of the Subcommittee's most important responsibilities is to ensure that when an agency awards a contract, it is doing so with the best interest of the American taxpayer in mind. This contract, through which GSA ultimately gave JMA more than \$234,000 for 3 months' work does not appear to be in the best interest of the taxpayer.

According to GSA, the agent had an "urgent and compelling" need to award this contract because they were in the midst of a "crisis" caused by the news reports and Federal investigations. And despite having numerous public affairs officials in Kansas City and Washington, the agency said they did not have anyone capable of dealing with the media or communicating with the people at Bannister.

At today's hearing, we will explore why GSA thought it would serve the American people and the taxpayers to spend hundreds of thousands of dollars to hire a public relations firm to communicate with Federal employees when it already had people to do that job.

We will also explore the many problems that GSA, the Federal Government's main contracting agency, made in awarding and managing this contract. It was awarded in 1 day without nearly enough planning and with no competition.

One of the main rationales for using JMA was that it had extensive experience doing this kind of work for EPA, but GSA failed to do the basic legwork that would have revealed that JMA had never received any contracts from EPA.

It also looks like GSA essentially allowed the contractor to both decide what it was going to do and how much that was going to cost.

For the Federal Government, which routinely awards contracts worth billions, this contract may seem like relatively small potatoes, but the award and the management of this contract is a case

study, and it raises very serious questions about how GSA, which is responsible for both property and acquisitions for the government may have fallen short at both.

In addition, information provided to the Subcommittee shows that the Federal Government has spent billions on contracts for public relations and related services over the past 5 years.

While PR contracts like the one we will examine today may be legal, we need to be able to rely on our public officials to exercise sound judgment about when such a contract is actually necessary.

The American people may not know much about GSA, but they know that their government should be working for them. They do not want their taxpayer dollars wasted, and they do not want their government officials to be more concerned about protecting their public image than protecting them.

Today, we will have the opportunity to ask GSA officials whether they are meeting the standards expected of them.

The Administrator of GSA, Martha Johnson, is here today, and I want to thank her for joining us today.

She is joined by Robert Peck, who is the head of GSA's public building services, and Mary Ruwwe, who is the head of Public Building Services (PBS) in Kansas City.

Brian Miller, GSA's Inspector General, will also testify today.

I welcome all the witnesses and look forward to all their testimony.

I want to say, before we begin, that this is, frankly, in some ways, as I said in my formal opening statement, small potatoes because of the size of the contract involved, but if we do not break down contracting to a level where the American people can understand how it happens, where it happens, and why it happens, and whether indeed it is the best use of their dollars, we have no chance at this gargantuan problem of government contracting and how well it is being done.

So, in some ways, this may seem unfair. It may seem like we are picking on GSA, because I guarantee you there are contracts like this sprinkled throughout the Federal Government, contracts that are entered into in a hurry, without the appropriate oversight, without the appropriate scoping, without the appropriate planning, without enough concern about how much it costs, but I happen to know a lot about this one because it happened in Kansas City.

So, this is one of those times that there is good news and bad news. The good news is I know a lot about this contract and the bad news for GSA is I happen to be from Missouri and Chair this Subcommittee; so, it is an easy one for us to do a case study of.

But I want to say at the outset I perfectly well understand that this is not a problem that is just GSA's, and I perfectly well understand that the problems we are going to talk about today in contracting apply to every Federal agency. And it just so happens that this is a perfect, manageable-sized contract, and we can do the timeline of exactly of what happened. And I think it will be illustrative to other Federal agencies that this is not the way you are supposed to contract; this is not the way it is supposed to be done, and hopefully we will learn from this and other Federal agencies will pay attention.

And I would now turn it over to the Ranking Member for his opening statement.

OPENING STATEMENT OF SENATOR PORTMAN

Senator PORTMAN. Thank you very much, Senator McCaskill. It is an honor to be here today in my first Subcommittee hearing as your Ranking Member, and I am not quite sure how I ended up here, either, but I am glad I did.

As Chairman McCaskill has already noted, the Subcommittee does really deal with issues that really strike at the heart of how our government operates, and I look forward to the important work ahead.

We have an enormous fiscal crisis facing the country, and a lot more attention on that, even this week, as we will be talking about the spending for this year. But at a time when we have these fiscal challenges, more than ever, we need to be sure that our tax dollars are being spent wisely and responsibly, and really, that is what this Subcommittee is about.

I want to commend the Subcommittee for its past work and Chairman McCaskill for her dedication to eliminating waste, fraud, abuse, and mismanagement in government contracting.

I am told that the Committee, and this Subcommittee in particular, was pretty busy over the last few years and had some big accomplishments. The Subcommittee looked at Arlington National Cemetery and came up with some badly needed reforms there, and I look forward to working with the Chairman and her staff in the days ahead on many of these issues.

I also want to note the contributions made by Senators Susan Collins and Scott Brown in the last Congress, both at the Subcommittee and full Committee level in this area of, again, ensuring that we are bringing Federal contracting issues up and dealing with them in a responsible way.

As American families have tightened their belts and businesses have learned to do more with less the last couple of years, the Federal Government has grown and kind of gone in the opposite direction, and it is time for us to, again, ensure that money is being spent wisely and effectively and that effective oversight does occur.

I served for just over a year as the Office of Management and Budget (OMB) Director, and there our goal was to put, as we said, the "M" back in OMB, and that meant getting at some of these very issues and we had some success in focusing on waste, and better management, and made that a top priority. We led initiatives to reduce improper payments, to enhance transparency over financial management, improved the management of the government's information technology investments and to consolidate duplicative systems.

And Chairman McCaskill said it is not necessarily the sexiest issue in government, but it is an incredibly important issue and I think effective oversight is crucial with government contracts. After all, if you look at it from a broad perspective, goods and services in government contracts now exceed \$530 billion; that was the number from the last fiscal year. So this is a huge amount of money, and it is necessary that this Subcommittee and others provide better oversight, as we said earlier.

Today's hearing does raise very important questions about transparency in our government and the appropriate use of contractors. It is a case study, as the Chairman said. I am interested in learning more about it.

I commend the Chairman for her investigations here, as well as the work she has done with Senator Roy Blunt and former Senator Kit Bond, and I look forward to hearing from the witnesses, and I thank them for being here today.

Thank you, Madam Chairman.

Senator McCASKILL. Thank you, Senator.

The Subcommittee staff has prepared a Memorandum regarding to the contract.

I move that the memorandum and the underlying documents that support the Memorandum be included in the record.¹

Senator PORTMAN. Second.

Senator McCASKILL. Without objection, those will be included in the record.

Let me introduce the witnesses and we will begin testimony.

Brian Miller has served as the Inspector General for the GSA since his confirmation by the Senate in July 2005. He is also Vice Chair of the National Procurement Fraud Taskforce and a member of the Department of Justice's (DOJ) Recovery Act Fraud Working Group.

Mr. Miller received the Attorney General's Distinguished Service Award in 2008. This is Mr. Miller's third appearance before this Subcommittee and his second this year.

Martha Johnson was confirmed as the Administrator of GSA on February 5, 2010. Prior to her appointment, Ms. Johnson worked in the private sector for Computer Sciences Corporation (CSC) and the Society of Research Administrators International (SRA). She served as Assistant Deputy Secretary at the Department of Commerce and was Chief of Staff at GSA during the Clinton Administration.

Robert Peck is the Commissioner of Public Buildings for GSA, a position he also held under the Clinton Administration. Mr. Peck previously served as Managing Director of Jones Lang LaSalle. He has also held positions at the Office of Management and Budget, the National Endowment for the Arts (NEA), and the Federal Communications Commission (FCC).

Mary Ruwwe—am I saying your name correctly, Ms. Ruwwe?

Ms. RUWWE. Yes.

Senator McCASKILL. Mary Ruwwe is the Regional Commissioner for the Public Building Service in the Heartland Region, which includes Missouri, Kansas, Iowa, and Nebraska. Ms. Ruwwe has served GSA in the Heartland Region for more than 20 years.

It is the custom of this Subcommittee to swear in all witnesses that appear before us. So, if you do not mind, I would ask you to stand.

Do you swear that the testimony you will give before the Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. MILLER. I do.

¹ The information referenced by Senator McCaskill appears in the appendix on page 57.

Ms. JOHNSON. I do.

Mr. PECK. I do.

Ms. RUWWE. I do.

Senator MCCASKILL. Let the record reflect that all the witnesses have answered in the affirmative.

We will be using a timing system today. We would ask that your oral testimony be no more than 5 minutes. Your written testimony, of course, will be printed in the record in its entirety and if, for any reason, that you feel, as a matter of fairness, you need longer than 5 minutes, of course the Subcommittee will be happy to allow you that time.

And we will begin with you, Mr. Miller.

**TESTIMONY OF THE HON. BRIAN MILLER,¹ INSPECTOR
GENERAL, U.S. GENERAL SERVICES ADMINISTRATION**

Mr. MILLER. Madam Chairman, Ranking Member Portman, thank you for inviting me here to testify this morning.

When President Truman created the GSA in 1949, he said that it would improve the government system of property management and procurement. Accordingly, GSA's two core missions are property management and procurement, both are in play at the Bannister Federal Complex in Kansas City, Missouri.

This morning, I will address my office's audit of environmental conditions at Bannister, and GSA's decision to contract with a public relations firm. My focus will be on my office's findings and GSA's response to those findings.

Our audit on environmental issues at Bannister found, first, that GSA did not have a strong environmental program at Bannister.

Second, that GSA did not take steps to protect workers when presented with evidence of potential hazards.

And third, that GSA provided incorrect and misleading information to both my office and the public.

Although GSA's written response to our report seemed primarily focused on defending itself in quibbling over words, we are encouraged by GSA's 2010 actions to enlist the assistance of Environmental Protection Agency (EPA) and the National Institute for Occupational Safety and Health (NIOSH).

GSA also contracted with Jane Mobley Associates, a public relations firm. Although our audit is ongoing, we issued an interim audit memorandum to make GSA aware of the problems with the contract and to help prevent similar mistakes in the future.

The problems with the JMA contract include: GSA awarded a sole source contract without justifying why it did not consider other vendors.

Second, the scope of work was not adequately defined or priced. JMA itself apparently wrote the Statement of Work (SOW).

Third, the initial task order had no specific, measurable deliverables. GSA apparently did not know that it received what it wanted, so it relied on an EPA official to accept JMA's work and help approve payment.

¹ The prepared statement of Mr. Miller appears in the appendix on page 37.

And last, the contract extension simply was not justified. These problems produced a situation in which the government has no assurance that it paid a fair price for the services received.

GSA's response to our Audit Memorandum, like the response to our report on environmental issues, failed to fully acknowledge the extent of the problems. This gives little or no assurance that the same problems will not be repeated on future procurements.

In order to correct a problem, you must admit the problem. GSA seems for whatever reason seems reluctant to take full responsibility for the errors in the JMA contract.

In order to fulfill its responsibilities as the Federal Government's property management and procurement expert, GSA must set a tone of taking immediate and decisive action to address any safety concerns of Federal workers without waiting for an Inspector General review or congressional action to spur it to act, and it must ensure that all proper contracting procedures are followed. This has not been the case at Bannister in either the property management or procurement areas.

Thank you for inviting me here this morning and I welcome any questions from the Subcommittee.

Senator McCASKILL. Thank you, Mr. Miller. Ms. Johnson.

**TESTIMONY OF THE HON. MARTHA JOHNSON,¹
ADMINISTRATOR, U.S. GENERAL SERVICES ADMINISTRATION**

Ms. JOHNSON. Chairman McCaskill and Ranking Member Portman, I am Martha Johnson, Administrator of the General Services Administration. I took the oath of office on February 7, 2010, and I am honored to serve in this capacity.

Thank you for the opportunity to appear before the Senate Subcommittee on Contracting Oversight today.

As requested, I am here today to speak to GSA's award, management, and oversight of the Jane Mobley Associates contract.

In November 2009, GSA's Heartland Region began to receive media and public inquiries revolving around health and safety issues at the Bannister Federal Complex.

And let me note, the Bannister Federal Complex consists of 5 million square feet of mixed-use space with 42 buildings. GSA controls 12 buildings totaling 2 million square feet while the Department of Energy manages the balance of the facility. From the 1940s through the mid 1970s, the ownership and control of the property was divided between the Department of Defense (DOD), the Atomic Energy Commission (AEC), and, later, the Department of Energy and GSA.

By late January 2010, these inquiries had increased dramatically, causing unprecedented tenant and employee concerns about the safety of the Bannister Federal Complex. The quantity and complexity of these media inquiries, as well as various government reports regarding Bannister indicated the need for a more advanced level of communications expertise than the Region could provide in-house.

The Heartland Region consulted with the regional Environmental Protection Agency. Given EPA's experience with environ-

¹ The prepared statement of Ms. Johnson appears in the appendix on page 43.

mental communications, the EPA Associate Regional Administrator recommended a local communications firm, JMA.

In addition to their listed professional references, JMA had firsthand experience—firsthand environmental crisis management experience, experience with evaluating and translating technical data, and had previously worked with other government agencies. Relying on EPA's superior experience with environmental crisis management and communications, GSA sought guidance on framing the Statement of Work from EPA. EPA appropriately provided the required assistance and GSA then negotiated a final Statement of Work with JMA.

Upon finalizing the statement of work, the Heartland Region expedited the retention of JMA. The expedited timeline for selection was based on the existing urgent and compelling circumstances. GSA believed that these circumstances existed because of employee and tenant concerns that conditions impaired their ability to work.

On February 5, 2010, the Region entered into a one-month contract for services with GSA. The Region and JMA developed a communications plan, discussed test results in reports commissioned by the EPA and NIOSH, and created a contingency plan for an alternate site for the childcare center.

Significant progress on local communications had been made after 1 month; however, the Heartland Region was still not comfortable in its capacity to respond to multiple inquiries from the media, current and former employees, and the public. Moreover, it was apparent that extensive outreach and coordination were still needed to address the public concerns.

On March 8, 2010, the Heartland Region issued a modification to the existing contract to extend the services under the original agreement. The scope of work and discussions with JMA made clear that the last 2 months were to serve as a transition period, during which GSA would assume and manage these responsibilities in-house. JMA assisted GSA in providing clarity on issues, performed extensive research, and facilitated meetings between GSA, EPA, and DOE.

JMA also assisted in the further development of the skills and knowledge of in-house staff in preparation for assuming the communications role for this issue.

In sum, GSA was faced with a series of complex issues at the Bannister Federal Complex, and since employee health and safety is our number one responsibility, the Heartland Region moved swiftly to address employee and community concerns and prevented continued harm to the agency.

Pursuant to the Inspector General's report which contained a list of recommendations, GSA has taken proactive steps, which I believe will further enhance the safety and management of Bannister.

First, we have developed an environmental work plan and quality assurance project.

Second, we have finalized a GSA regional environmental management system to manage and monitor the regional program in accordance with EPA guidance.

Third, we have established a system where information released goes through a multistep review process to ensure accuracy.

In view of the above, I believe these positive steps illustrate our true desire to achieve transparency, accountability, and better management of those challenging issues that have appeared at the Bannister Federal Complex.

This concludes my remarks, and I look forward to our discussion today.

Senator McCASKILL. Thank you, Ms. Johnson. Mr. Peck.

TESTIMONY OF ROBERT PECK,¹ COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Mr. PECK. Madam Chairman, Ranking Member Portman, and members of the public, thank you for inviting me to speak to you today regarding the General Services Administration's Public Building Service property management and public relations efforts in Kansas City.

Nationally, GSA manages a portfolio of more than 1,500 Federally owned buildings, and we house 1,100,000 Federal employees from more than 100 Federal agencies. As the Federal Government's landlord, it is our job to ensure that our buildings are safe, well functioning, and welcoming to our tenants and visitors. We strive at all times to be open and responsive in our communication with both tenants and the public.

On a daily basis, we manage building and tenant issues, including fire and life safety and environmental issues. We conduct periodic surveys and assessments of our buildings to ensure that they are well functioning and safe for tenants. We even survey our tenants to make sure they think we are doing a good job and that the buildings are appropriate as work spaces.

As specific concerns arise from tenants, GSA assess the nature and scope of the problem, usually via studies or tests, and then addresses the problem as those assessments indicate is necessary.

We often contract with third parties to conduct these evaluations to ensure that we receive independent assessments, and we also often contract with third parties to carry out corrective measures.

In fact, most routine mechanical maintenance and cleaning functions in Federal buildings are carried out by third party contractors, as well.

If we determine that an environmental problem does exist within a facility, we immediately take corrective measures. Most of the issues that arise in our buildings never become a public concern because GSA's experts are able to collaborate effectively with tenants to dispel their concerns. GSA relies on our in-house communication experts to share accurate information with our tenants.

And as I said, we routinely manage communication issues and handle media inquiries with in-house staff; however, we can seek the assistance of outside communications resources when we identify either a lack of capacity or expertise on a specific subject matter, and that was the case in the Bannister Complex in Kansas City.

¹The prepared statement of Mr. Peck appears in the appendix on page 46.

The situation there became particularly urgent due to voluminous information requests, media reports, and concerned tenants who had questions regarding the safety of their workplace.

Before we retained JMA, Jane Mobley Associates, GSA was already working closely with tenants to understand and address their environmental concerns at the Bannister Complex. Over the years, GSA has frequently monitored and evaluated conditions in the building and communicated back to tenant leadership that these evaluations established and maintained that the building is safe for occupancy.

We were concerned that, despite our best efforts in late 2009, tenant employee concerns seemed to indicate that our efforts were not satisfying tenants and not making them feel confident about their safety at the complex. At that time, in late 2009, we saw an increase in inquiries and requests for information, which we initially managed on our own.

But eventually, giving the significant burdens on our public affairs staff in the Region, we did go out and seek assistance from JMA. They helped us develop a plan to handle a large number of communication inquiries and effectively communicate the complex and technical results of our many environmental studies assessing the safety of the building. This, our response, reflected the results of numerous assessments, and I would emphasize again that all testing to date at Bannister indicates that no health risk exists.

JMA was hired off of a GSA multiple award schedule (MAS), as it is called, which offers—our multiple award schedules offer Federal agencies a streamlined means of acquiring services in numerous areas, including public relations.

Prices for services on the schedules have already been determined to be fair and reasonable before a firm is put on the schedule, and that price review is done by reviewing prices offered to similarly situated commercial customers.

We at GSA take our obligation seriously to provide safe Federal facilities for our employees, the employees of our tenant agencies, and the visiting public.

We fully understand and are committed to effectively communicating with employees and the public about the steps we are taking to assure their safety.

The urgency of this obligation in Kansas City necessitated that we seek additional resources. Our response in Kansas City was not propaganda in the legal sense and in—and it was a legal use of government contracting authority.

Madam Chairman and Ranking Member Portman, I am happy to answer any questions you have. Thank you, again, for the opportunity to be here.

Senator McCASKILL. Thank you, Mr. Peck, and thank you for your public service. Ms. Ruwwe.

**TESTIMONY OF MARY RUWWE,¹ REGIONAL COMMISSIONER,
PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES AD-
MINISTRATION**

Ms. RUWWE. Good morning, Madam Chairman, Ranking Member Portman, and Members of the Subcommittee.

My name is Mary Ruwwe, and I am the Regional Commissioner of GSA's Public Building Service in the Heartland Region.

Thank you for inviting me to join you today to discuss PBS's use of public relation services with Jane Mobley and Associates at the Bannister Federal Complex in Kansas City.

As a public official, my primary responsibility is to ensure the health and safety of people working in and visiting GSA facilities. When concerns are raised regarding environmental safety in our buildings, GSA works diligently to address those concerns. This is certainly true in the case of the Bannister Federal Complex.

Over the years, GSA has continually monitored the complex. We have conducted hundreds of environmental tests. All of these tests have indicated that the facility has been and remains a healthy environment for our employees, the tenants, and the public.

Until recently, GSA relied on in-house communications experts to relay information to the community. In early 2010, circumstances changed drastically. Tenant and public inquiries significantly increased and the situation became more complex due to amplified media concerns resulting in employees' heightened fears of unsafe conditions.

At GSA, we realized we needed additional resources and technical assistance to fully and accurately characterize the developing situation. As a result, GSA procured communication services from Jane Mobley and Associates, who I will refer to as JMA.

With JMA's assistance, GSA acted swiftly to address employee and community concerns.

Madam Chairman, I take all matters of employee health and workplace safety seriously and always work to ensure that appropriate action is taken to provide safety—safe and healthy facilities. Along with this responsibility comes a parallel duty to communicate with the public honestly, promptly, and effectively.

Until early 2010, there was an ebb and flow of environmental testing and occasional concerns at Bannister. With the release of certain media stories in late 2009, information began to increase to two or three inquiries per week. During this time, GSA's single in-house communications staffer handled this outreach.

Then, in late January 2010, circumstances changed radically. Over the course of 7 days, multiple events pushed us beyond our in-house communication capabilities. We experienced a significant increase in inquiries and requests for additional testing.

A protest was staged outside our childcare facility. We were also challenged with the need to coordinate among Federal, State, and local regulators. These new events, together with a surge in media attention stoked by rumors and misconceptions created an unpredictable and unprecedented pressure cooker environment. There was an urgent need to get the facts and the truth to the public.

¹ The prepared statement of Ms. Ruwwe appears in the appendix on page 50.

In consultation with the EPA, GSA decided to procure a communications expert from GSA's multiple award schedules. GSA selected JMA, a local small business with government experience, knowledgeable of crisis management, and experienced at digesting and translating technical data.

With the firestorm of events in 2010 coupled with our limited staff's lack of crisis management expertise, following the typical ordering procedures would have resulted in unacceptable delays.

Before a vendor can be awarded a scheduled contract, its offered prices must be determined to be fair and reasonable. Although not required to do so, GSA conducted a price comparison from three vendors. JMA was a local small business and had the lowest cumulative rate and required skills set to accomplish the work successfully.

GSA determined that JMA was the best vendor to meet our needs through a firm fixed-price contract. GSA and JMA worked closely together to develop and launch a communications and contingency plan. The whole time, GSA has—throughout this whole time, we have maintained our role as spokesperson and directly oversaw all messaging and outreach efforts.

By the end of February, significant progress had been made; however, there was still a high volume of inquiries and concerns. For that, GSA extended JMA's services for another 2 months.

During a turbulent, unique period for GSA, JMA was able to assist us in a short timeframe in effectively and timely communicating the facts to the community to help calm fears and dispel misperceptions.

At GSA's request, the National Institute of Occupational Safety and Health conducted a health hazard evaluation at the GSA complex and did not find any cases of health concerns. Based on an extensive review and the current work plan, the National Institute for Occupational Safety and Health does not recommend any additional testing at this time.

The Bannister Complex has been and continues to be a healthy place to work. Based on testing results from the past two decades, the GSA controlled space at the Bannister Federal Complex is believed to possess no health risks to workers, visitors, or children at the childcare center.

GSA will continue to ensure the safety of those working and visiting the Bannister Federal Complex. As well, we will continue to partner with the Environmental Protection Agency and the National Institute for Occupational Safety and Health to execute our environmental work plan and address health concerns.

Madam Chairman, Ranking Member Portman, and Members of the Subcommittee, this concludes my statement. I would be pleased to answer any questions you may have.

Senator McCASKILL. Thank you.

Thank you all for being here.

And if the staff would go ahead and set our timers up here so I can be aware of how much time I take so that I can make sure and go to Senator Portman at an appropriate interval and we will continue to go back-and-forth asking questions until we have had all the questions answered that we are curious about.

Let me start with this: Ms. Johnson, did you do anything wrong in this contract? Did GSA do anything wrong?

Ms. JOHNSON. We did nothing wrong with this contract.

Senator MCCASKILL. Mr. Peck, did GSA do anything wrong in the way they issued this PR contract?

Mr. PECK. We did not do anything wrong with this contract.

Senator MCCASKILL. OK. Bad start.

Let us start with the Statement of Work. Would it be typical in contracting to allow the contractor to write the Statement of Work, Ms. Johnson?

Ms. JOHNSON. The normal course is that a contracting officer does not write the Statement of Work; it is written by the recipients that are the best knowledgeable people for receiving the services on the contract. So, the recipients are the authors of the statements of work.

Senator MCCASKILL. So, you think it would be typical and good contracting practice to allow the contractor to write the work that was going to be performed, as opposed to the government laying out the work that they needed performed?

Ms. JOHNSON. Typically. That is not what happened in this case, but yes, I would say that is—

Senator MCCASKILL. But that is what happened in this case; is it not? Did not the contractor write the Statement of Work?

Ms. JOHNSON. Let me just begin by saying I was not in office at this time. So, I want to be very careful because I am under oath to be sure that I am giving you the accurate statements, but I have been briefed on this and I believe I understand what happened.

The Statement of Work was given to us by EPA at our request. We asked EPA to help us with this, because EPA is quite knowledgeable and experienced in communications work with the public around technical and scientific issues. They provided us with the Statement of Work. We did not understand until very recently that it was composed by JMA.

Senator MCCASKILL. OK. Let me ask again; I am confused, now.

Do you think it should have been composed by JMA or it should have been composed by the government?

Ms. JOHNSON. It should have been composed by the government.

Senator MCCASKILL. So, and in this sense, you are aware that it was not composed by the government?

Ms. JOHNSON. We learned that it was not, very recently.

Senator MCCASKILL. So, would that be something that was done wrong?

Ms. JOHNSON. That would be—yes, that was incorrect procedure.

Senator MCCASKILL. OK. So, let me read for the record:

On February 4—and I should point out also, for the record, I believe that is the same date that Senator Bond requested an IG investigation; is that correct?

Ms. JOHNSON. I do not know the date.

Senator MCCASKILL. It was the day after. I believe it was the day after the IG investigation was requested by Senator Bond.

Ms. JOHNSON. I will defer to—

Senator MCCASKILL. OK.

Ms. JOHNSON. I will defer to your—

Senator McCASKILL. OK. I believe if—let me do the chronology and then either you or Mr. Peck speak up if I am getting the chronology wrong.

There had been a number of high-profile media reports beginning in November 2009 concerning the safety of Bannister, including a list that had been compiled of 95 people that had contracted cancer, including television reports that were very—I think I am being fair to say that they were inflammatory about the safety of Bannister. This began in the fall of 2009.

And then, on February 3, there was a call for an Inspector General investigation of what had happened—what was ongoing at Bannister in terms of the safety at the complex.

And it was the next day, I believe, that there was a decision made to try to hire a PR firm.

Is that a correct chronology? Does anyone want to disagree with that chronology?

Mr. PECK. No, ma'am. I am looking at my chronology and there was a report in the Kansas City Star on the 4th of February saying that the Senator had called for a new study on toxins.

Senator McCASKILL. OK.

Mr. PECK. So, that may well be.

Senator McCASKILL. OK. So, and it was actually executed—this task order was actually done in a day; correct? Was it not one day, 24 hours?

Ms. RUWWE. We issued the Statement of Work to Jane Mobley and Associates on February 4 and it was awarded on February 5.

Senator McCASKILL. Well, I do not think you issued it. Let me read an email:

Early on February 4, 2010, Jane Mobley asked one of her employees to prepare a Statement of Work. Quote—in an email—“Rich needs a Statement of Work for what needs to be done, although they don't really know. So, it needs to be general enough to fit everything in we could find under every rock we could turn over. He was hoping we had or would know where to find a boilerplate SOW”—Statement of Work—“so that they could write a contract right away.”

“Yeah, right.”

Are you all aware of that email exchange between Rich Hood at the EPA and the contractor?

Ms. JOHNSON. I am not.

Senator McCASKILL. So, you have not read any of the information concerning this, that is contained in the documentation we have in front of the Subcommittee.

Ms. JOHNSON. No, I have read that but I—

Senator McCASKILL. You are not aware of that? OK.

Ms. JOHNSON. I do not recall that one.

Senator McCASKILL. Later that morning, Mr. Hood informed Ms. Mobley that he was trying to locate a scope or Statement of Work generic off-the-shelf, but it was very slow going.

In response, Ms. Mobley stated, “Don't look too hard, we can send one.”

Now, do either you, Ms. Johnson or Mr. Peck—do you think that is the way that we should enter into contracts for a quarter of a million dollars—or for a hundred grand for a month?

Mr. PECK. That is not the way we want to enter into any contract.

Senator MCCASKILL. So, would that be a mistake?

Mr. PECK. Well, let me just clarify.

Our guidance, our rules, are that we write—that the government writes scopes of work. Again, I was not on the ground, either, but I believe that our people believed that the scope of work had been written by the government. I do not believe that the people who it is—as far as I know, the people at GSA who issued the scope of work did not know the scope of work had been written by the contractor.

Senator MCCASKILL. And why was the EPA asking a contractor to write a scope of work for the GSA? Why would that occur? That would not be appropriate contracting either, would it?

Mr. PECK. Well, it is not inappropriate for us to ask a Federal agency with some expertise to help us draft a scope of work for a contract that is, in part—at least partly in their area of expertise. That is a government—that would be a government work product.

And in fact, in this case, what we were doing was asking an agency, the EPA, which had—just as we have asked National Institute of Occupational Safety and Health to come in and help us because this is their area of expertise.

Senator MCCASKILL. So, you—

Mr. PECK. So, that is why I think—believe that we asked EPA for some help on this.

Senator MCCASKILL. Mary, did you think Rich Hood wrote this scope of work? Rich Hood is the individual at EPA. Did you think he wrote this scope of work?

Ms. RUWWE. Yes, I did. In fact, I received the scope of work directly from Rich.

Senator MCCASKILL. And did you ask him if he had written the scope of work.

Ms. RUWWE. No, I did not.

Senator MCCASKILL. You just assumed he had written it?

Ms. RUWWE. Yes.

Senator MCCASKILL. All right. I have taken up 5 minutes. I am going to turn it over to Senator Portman and I will come back for more questioning.

Senator PORTMAN. Thank you, Madam Chairman.

And I think the point made earlier that this is a relatively small contract compared to the hundreds of billions of dollars every year that the Federal Government contracts for goods and services but that this does present some issues, and GSA should be the model contractor, of course, since you have such a fundamental responsibility in government contracting generally. And I think it is important that we understand what happened here and we are sure that the guidance that you are giving GSA and therefore the model you are providing for the rest of the government is clear.

And I must say, I am a little concerned about some of the responses to the Chairman's questions, because it seems that maybe there is some confusion, but it sounds like, Mr. Peck, if I could go back to your response, that your rules would provide that—you said the government writes the scope of work, but where the GSA has a contract, they can consult with other agencies, but GSA ulti-

mately is responsible for the scope of work, not the—as Administrator Johnson said—not the recipient or the contractor; is that correct?

Mr. PECK. Yes, sir.

Senator PORTMAN. So, that is good to have clarified.

My question that I had, having looked over the file, is, why did you not use your in-house expertise?

And just this morning, listening to your testimony, Mr. Peck, you talked about the fact that you thought your in-house communications folks were not up to the task because there was such a burden on the public affairs in the Region. I think that was your quote, and I look at what GSA has and, by my count, I think you have 49 communication staffers, 20 of those, looking at the list, have over 20 years of experience. So, you have some very experienced public affairs folks. And I understand that most of those communications resources are based in Washington, not based in Ms. Ruwwe's region, but if the burden was on the regional public affairs officers (PAOs), would it not be natural for you to use your significant resources that you have in Washington and around the country to assist a region such as Ms. Ruwwe's?

And I guess I would ask Ms. Johnson and Mr. Peck on that.

Ms. JOHNSON. Certainly, let me begin.

The demands on the Region in this case were unusual. It was not just a burden in terms of scale, in terms of the number of requests. This was a situation in which there was technical information, and I mean, 124 tests over 20 years is a lot of material to share with the public and to help them understand that the Bannister Federal Complex is a safe and healthy workplace.

It is the technical competence that we were after that we do not keep in-house. We do not have these kinds of requests on us that often for this kind of media and public affairs information training—understanding explanation. We are—to do that would be rather extravagant, it would be fairly specialized, and in this case we needed that kind of expertise, not just your typical press releases, Web pages, internal communications, but we needed people who were able to help us distill complex, long-running information and help teach and train and communicate that to the public.

If we were to turn to the central office, we would not have found it there, either. Long experience in this demonstrates that we did not need to have it on staff. It would have been extravagance to have this kind of permanent staff because we just do not have a need for it.

So, this is when we go out and contract. This is what outsourcing is all about at times. It is going and finding—finding the support and the resources that you need when you need them, rather than staffing up around it.

Mr. PECK. And Senator, we did—you asked a good and fair question, which is did we look to some of our other communication specialists who are already on staff in the agency to see if we had the kind of expertise that the Administrator talked about, and we asked the question and we did not have on board at the time people who we thought could handle these particular communication issues.

One other thing I will just note is that we recognized the need, these things do crop up, and one of the things the Region did in the course of administering the contract was to make sure that in-house staff were trained in how to handle these kinds of issues in the future in Kansas City.

Senator PORTMAN. OK. I guess I had not seen it in the record anywhere that you had asked the question.

So, you say there was an inquiry made of particularly the Washington, D.C. staff as to whether they were capable of handling this?

Mr. PECK. Yes, sir.

Senator PORTMAN. It was not just that it was a burden on the regional public affairs officials, and I assume you have a record of that, that you contacted the Washington, D.C. public affairs officials and asked them if they had the expertise.

Mr. PECK. I have scanned my emails and I do not think I have found an email that says that, but I recall the conversations.

Senator PORTMAN. OK.

And in terms of having the technical information from the outside, to the extent that was the issue, the technical competence you were looking for to be able to distill complex technical issues, was the contractor you chose someone who had that specialized environmental background? Was that why—did they have technical expertise?

Mr. PECK. You would have to ask—

Senator PORTMAN. Is that the reason you went outside?

Mr. PECK. Can I defer to Ms. Ruwwe?

Ms. RUWWE. Can you repeat the question? I was writing a note that I wanted to make sure I commented on.

Senator PORTMAN. No, it was just—again, I am trying to generalize here, and when is it appropriate to use outside contractors, and the response was it necessary because it is not just that you are public affairs folks who are overwhelmed, but rather it was that there was technical information based on years of environmental studies and reports that was not something that was within your expertise. So, you felt you had to go outside to get technical expertise. So, I assume the firm that you contracted with had environmental technical expertise.

Ms. RUWWE. Jane Mobley and Associates has expertise in conveying technical data—this sort of nature of technical data and conveying in layman's terms. That is their expertise, and we partnered with the Environmental Protection Agency—actually, I consulted with, if I may expand upon the question that you were asking Commissioner Peck, I personally consulted with our central office.

In fact, we had a senior leader that formerly worked for the Environmental Protection Agency, and she recommended that we seek assistance from the Environmental Protection Agency because of the fact that, one, we were already working with them to conduct some testing in the childcare center, and they have—their expertise in conveying environmental information in layman's terms.

And so, I also consulted with our chief of communications at that time, Sahar Wali, and I do have evidence in an email where I consulted with her on the Statement of Work.

Senator PORTMAN. On the statement—Ms. Ruwwe, can I interrupt you just for a second because my time is coming to an end.

I think Mr. Peck's comments earlier that it is appropriate to look in-house for other governmental expertise, as you all did with EPA, is part of the rules and guidance you talked about earlier.

And Ms. Ruwwe has made that point in terms of why she looked to EPA, and my question would be—and then I will turn it back to the Chairman, EPA has a lot of public affairs specialists. I do not have the number in front of me, but it is more than your staff of 49—again, 20 of whom have 20 years of experience—so, it is not like you do not have experience. But to the extent you were looking for technical public affairs expertise, and to the extent that you were looking to the EPA, anyway, including being the go-between for a Statement of Work that ended up being written, I guess, by the contractor, would it not have made sense to go to the EPA? Should that not be part of your rules and guidance to the extent that you are looking to the EPA anyway in this case, particularly to see whether they had the public affairs expertise that you needed.

Ms. RUWWE. I can take that as well.

When I called the local Region 7 Environmental Protection Agency Office, and we had been working with them already on the testing, and I talked with their media relations expert, and I asked him, can your office provide us help in communications assistance, and to which he replied, personally, that they could not provide the help in-house. They, too, were stretched at that moment in time, and he recommended that we seek contracting expertise.

Senator PORTMAN. And did you contact the higher levels at GSA regarding this to see whether the national office at EPA was going to be helpful?

Ms. RUWWE. I had consulted with our national office on it, and I made the personal decision to go ahead and contract for that expertise, based on the fact that we did not have the resources at central office, nor did EPA have the resources in-house, and we did not have the resources regionally, as well.

Senator PORTMAN. All right. Again, I think I will go back to the Chairman. I am sorry for taking so much time.

Senator MCCASKILL. That is OK. Take all the time you need.

Senator PORTMAN. But this relates to the general question that is being raised here: What should the rules be and the guidance be and, per Mr. Peck's earlier comments about using EPA and why that was appropriate, it seems to me it would also have been appropriate to look for that public affairs expertise. Certainly, it exists and probably, actually, in terms of technical information, would be the better place to go rather than a small business in Kansas City.

Thank you, Madam Chairman.

Senator MCCASKILL. The contractor that was hired had really never had a contract with EPA; is that not correct?

Ms. RUWWE. Looking back on the information I believe they had not had experience working directly with the Environmental Protection Agency.

They had experience previously with the media relations person that I was working with, but they also had significant experience

with other Federal agencies, a lot of work especially with the Department of Defense.

Senator MCCASKILL. And that is probably a subject for another hearing, how many people do we have working in public affairs in the Federal Government, and when do they not adequately train or have people on staff ready to do this. Let me just follow up a little bit on the subject before I go to the next subject.

Mr. PECK, you cited two examples in your opening statement of where your agency had done good work in terms of safety issues. I believe there was a metro station—refresh my memory of the two different examples. Silver Spring and—

Mr. PECK. There is Silver Spring Metro Center and the other was the former Department of Transportation (DOT) headquarters in a leased building in Washington.

Senator MCCASKILL. Were there PR contracts issued in either one of those instances?

Mr. PECK. Not that I can tell. It did not—we did not find—long before my time—well, I take that back, they lopped over into my first tenure at GSA. In neither case did we find it necessary to get outside contracting help for those instances.

Senator MCCASKILL. So, you had, in those instances, you had people in-house that could handle communicating to the public about potential workplace environmental issues?

Mr. PECK. Yes, ma'am.

There are two distinctions. We did find significant—some significant problems in the Department of Transportation building and moved a portion of the agency out of the building while we made the landlord conduct cleanup.

And in the Silver Spring Metro Center, if memory serves me right, we had not yet occupied the part of the building that had some problems. So, I do not—but in both cases, we actually had a significant environmental issue which we could deal with. It was a different communication issue, then.

Senator MCCASKILL. And I believe the number is—you have three GS14s and one GS15 with a combined 90 years of Federal service and average salary of \$128,000 a year.

You had eight individuals, including the individual responsible who were at a GS13 level or higher.

That is a serious payroll for your agency in terms of public affairs specialists. So, do you think, looking back on it, that crisis management should have been part of the core competency of—I mean, those are—most of those are senior and executive. They, I think, enjoy not only six-figure salaries but most of them get bonuses approximating 10 percent year-in and year-out.

Should not all of our staffs that are hired to handle the public affairs of our agencies, be ready to handle crisis management, even explaining technical issues in layman's terms?

I mean, we have to explain technical issues in layman's terms all the time. I mean, welcome to—the intricacies of public policy translated in a way that is easily digestible to the public. It seems to me that is a core competency of public affairs specialists.

Ms. JOHNSON. Senator, I have to say that, from my tenure in the 1990s to my current tenure, there is a great deal more media interest in what we are doing.

And I would agree that, going forward, it would be significantly useful to have people with those kinds of competencies. I honestly do not believe in the past we have needed that and it would have been one of those additional—as I said before, it would have been extra staff. It would have been people trained in things that we would just not have been using.

But I do believe, in this current environment, there is a lot more interest in what we are doing, delightfully so, and that we have a good story to tell and a complex story to tell, and I would say, going forward, this would be a core competency that would make sense to consider, and staff, too.

Senator McCASKILL. Let us look at the contract extension.

The first contract was for \$100,000—under \$100,000—just under, correct?

Mr. PECK. Yes, ma'am.

Senator McCASKILL. Is it a coincidence, Mr. Peck, that is just under the threshold of a number of other contract requirements that kick in at \$100,000?

Mr. PECK. Madam Chairman, I would not want to speculate on that. I did not write the contract and I do not know how the amount got decided upon.

Senator McCASKILL. But it is true that this contract came right in under what would have kicked in a lot of—more oversight of the contract; correct?

Mr. PECK. Yes, ma'am.

Senator McCASKILL. And then, the extension stays in that sand-box instead of being a different, new contract where there would in fact be more oversight; correct?

Mr. PECK. The extension was—I am sorry. Say that again.

Senator McCASKILL. Well, because it was an extension of an existing contract that came under the 100,000, it stayed within the parameters of the original contract instead of kicking in that \$100,000 threshold that causes more oversight; correct?

Mr. PECK. I am not sure.

You are beyond my contracting expertise on that.

Ms. RUWWE. And I have slight knowledge.

In this case, there was no reason to keep the contracting price under \$100,000. If the price came in at above \$100,000, there is nothing the contracting officer would have had to document—put more documentation in the acquisition plan, but there was no reason to keep it under 100,000, nor was there a reason to keep it at the \$234,000 mark. The threshold actually kicks in at \$550,000.

Senator McCASKILL. Let us talk about the extension.

You modified the task order to extend it for 2 months at a cost of \$134,000. Included in the work order on the extension was to introduce the new Regional Administrator to external audiences.

I am curious where that came from, and did you do that with all the regional appointments? Did you hire contractors to introduce them to the leaders of the community? Did you hire—

Ms. JOHNSON. No, we did not.

Senator McCASKILL. Well, why was that done here?

Ms. RUWWE. I can take that one.

When Jason Klumb came on board, in his introduction—his initial introduction to the Region, he wanted to address the environ-

mental situation at the Bannister Federal Complex, and we thought it was appropriate for Jane Mobley and Associates to help, again, convey that level of an enormous amount of complex information in a short amount of time. He did not want that to take away from his introduction speech, but—

Senator MCCASKILL. So, you asked him. You asked him whether or not he thought this contract extension was a good idea, did you not, Ms. Ruwwe?

Ms. RUWWE. We had a dialogue. In the first week of March when we were getting ready to extend the contract, he questioned the cost of the contract and he wanted to know whether or not we could bring that in-house, and he sought my advice on that, and my recommendation was that, yes, while we had made significant headway in that first month, we were still significantly under-resourced in complexity and just the resource in order to handle the information that we needed to convey and the work that had to be done. And so, we did extend the two-month contract, and what I conveyed to Jason Klumb at that time is that our intent was to ultimately bring that back in-house, and the two-month extension, we anticipated that would be—result in a lower amount of cost over the timeframe.

Senator MCCASKILL. In fact, on March 6, 2010, in an e-mail to you, Mr. Klumb stated, “The cost is very high.” He had not been in government very long at that point.

“At this point, I would recommend”—I am quoting now, directly—“At this point, I would recommend that the contract not be extended, and that we rely on the experience and expertise of GSA professionals. Please advise.”

And on March 7, you responded, “The work they’ve done equates to approximately \$125 an hour, which is low, considering we have the owner of the company putting in a lot of time.” I believe her hourly rate was \$270 an hour; is that not correct, Ms. Ruwwe?

Ms. RUWWE. It was 270 or 250.

Senator MCCASKILL. I believe it is 270, if you check.

Ms. RUWWE. OK.

Senator MCCASKILL. “The new contract will be month-to-month, and should cost less unless we run into some unknowns.”

On March 8, the GSA contracting official sent the very next day—and I am not aware there was any more give-and-take between the two of you on that in terms of emails. On March 8, the GSA contract officials sent the contract extension to Jane Mobley for signature. Ms. Mobley promptly forwarded the extension document to a JMA colleague and urged her to hurry to get the contract signed.

Now, this is the important part of the email. At the time, Jason Klumb was serving in his Judge Advocate General (JAG) duties in the military and was in Korea; is that correct, Ms. Ruwwe?

Ms. RUWWE. Yes.

Senator MCCASKILL. So, Ms. Mobley forwarded the extension document to a JMA colleague and urged her to hurry up and get the contract signed saying, “Please get Jenny and execute ASAP before it’s wake-up time in Korea.”

Does that concern you?

Ms. RUWWE. That is the first I have heard of such an email like that.

Senator McCASKILL. And how would she know that there was an issue of Jason Klumb being in Korea? How would she have been aware of that?

Ms. RUWWE. I do not know.

Senator McCASKILL. Did you tell her that Jason Klumb had concerns about the extension of this contract?

Ms. RUWWE. I do not know. I do not recall.

Senator McCASKILL. Is there anyone else that knew that Jason Klumb was serving in Korea at the time and had indicated by email in a 12-hour time differential that he had concerns about extending the contract?

Ms. RUWWE. Not that I am aware of. I do not know.

Senator McCASKILL. So, we would need to ask Ms. Mobley where she got the information about, let us hurry up and get this done before they wake up in Korea?

Ms. RUWWE. Yes.

Senator McCASKILL. Senator Portman.

Senator PORTMAN. Thank you, Madam Chairman.

I would like to go back to, again, this notion that rules and guidance matter, and particularly with this agency being a contracting leader.

When I look at your testimony, Mr. Miller, and then I look at the responses to the Chairman's questions as to whether anything was done inappropriately, there seems to be a disconnect. And I go back to the issues that you raise in your testimony, Mr. Miller, as the IG, and I just want to be sure that I understand them.

One was that you believe the sole source contract was not appropriate because there was not adequate justification.

Mr. MILLER. Correct.

Senator PORTMAN. Second, the scope of work was not adequately defined or priced. We talked about that.

Third, that the initial task order did not have specific deliverables. I think you said in your oral presentation that there were not measurable objectives.

And then, you had concerns about the extension not being justified.

Going back to the scope of work for a second, does the fact that, as we have learned today, the Statement of Work was written by the contractor concern you, also, or was that not something that concerns you because this was noted earlier by the Administrator and it is not atypical?

Mr. MILLER. It does concern us very much, Senator.

It creates a situation in which there are no controls and it is not an arms' length arrangement with the contractor. It allows the contractor essentially to say what the contractor wants to do and to essentially to name the contractor's own price.

And the real problem was that GSA did not know what it wanted and what it needed.

Ms. JOHNSON. Senator, allow me—I want to be sure that I heard you correctly.

I did not intend, if it was heard, that it is a common or typical practice for a contractor to write the Statement of Work. That was——

Senator McCASKILL. I think that is what you said. It may not have been what you meant.

Ms. JOHNSON. It is certainly not what I meant.

Senator PORTMAN. I think it might be helpful—you used the word “recipient,” I think, and that is how I wrote it down. It might be helpful to look at the transcript and I do not know, Madam Chairman, that might be too time-consuming to go back now, but you might want to correct your statement.

Ms. JOHNSON. Let me just say it explicitly, the recipient being the government people receiving the benefits of the contract, the services of the contract, that would be the recipient, not the contractor.

Senator PORTMAN. OK. That is——

Ms. JOHNSON. So, the recipient should—it is the person—the manager who needs the services to—writing the Statement of Work would be the normal course of events.

Senator PORTMAN. I am glad you had a chance to correct that——

Ms. JOHNSON. I am sorry.

Senator PORTMAN [continuing]. Or at least correct my misunderstanding of what you said.

Ms. JOHNSON. My misspeaking, perhaps.

Senator PORTMAN. But we will look back at the transcript of that and be sure that is clarified.

So, both of you had concerns about that, and yet you responded to the Chairman’s question earlier that you did not think anything was wrong in the way this was handled, and we have now been able to identify, I think, the contract extension I will leave out, because I am not sure we agree with that and for that matter, I guess, the justification for sole source, you might not agree with the IG on that, but do you agree that the Statement of Work should not have been written by the contractor? And again, this is not about this particular contract, this is about what are the rules and guidance going forward. You do agree with that?

Ms. JOHNSON. I agree that it should not be written by the contractor, and we did not believe that was the case in this situation. We would not have acted in the way we had, I submit, if we had known that it had been written by the contractor.

Senator PORTMAN. On the scope of work not being adequately defined or priced, I assume that you would agree with that in the sense that you all did not establish a scope of work at all; right?

Ms. JOHNSON. Well, the prices—let me address the price piece. Because JMA is on the multiple award schedules, the prices are——

Senator PORTMAN. Excuse me for a second. What did you mean by “price.” Did you mean the multiple awards schedule or did you mean the overall price of the contract? I assume that you meant——

Mr. MILLER. Well, both, Senator. The problem is, if you do not know what you want, it is hard to get the right price.

If you are buying a vehicle, for example, and you do not know if you want a Volkswagen, or a truck, or a bus, it is hard to evaluate the prices.

GSA did not know what it wanted from this contract. It was clear from the email that Senator McCaskill read earlier. They were willing to settle for boilerplate.

GSA needed to think through what it really wanted from this contract, and then it can assess price.

Senator PORTMAN. So, this is, again, a general rule of contracting, is to be sure that you think through what it is you are asking for, to be sure that the government and the taxpayers are getting the best, most efficient and effective outside work done to the extent outside work is appropriate. We have talked about that already whether it was appropriate or not.

And then, the other one is that the task order had no specific deliverables; that is in your testimony. Again, you talked about measurable objectives, I think, in your testimony.

I would guess I would again throw that out to the Administrator and to the Commissioner. Do you think that there were adequate, measureable objectives or, as the IG has said, specific deliverables in this request for an outside contractor?

Mr. PECK. I would always prefer that there be very specific deliverables in a contract, as specific as we can make them.

Without getting in the weeds, can I make a distinction? When we write a contract to a contractor to build a building, we know pretty much down to the last electrical outlet what we are asking them to deliver. We have a schedule and we have a budget. It is the case that when you hire consulting services of all kinds, you cannot get to that level of specificity because, in some cases, you are saying, I do not have this expertise. I may not know enough to write a deliverable down to the last jot.

On the other hand, we certainly want something where, at the end of the day, we can say, did we get our value for the price? So, there is a little bit of a judgment call on how specific the deliverables should be.

I think in the—

Senator PORTMAN. I appreciate that, Commissioner, and I think there is a spectrum, here.

One end of the spectrum would be not having any measurable objectives at all, and that appears to be where we are here.

Mr. PECK. Correct. I do not think we had no deliverables. In hindsight, I wish that deliverables probably could have been more specific.

Senator PORTMAN. Mr. Miller, I am going to give you a chance to talk about the contract extension, because there may be a difference of opinion there, but what is your specific concern on the contract extension?

Mr. MILLER. Again, Senator, GSA did not clearly know what it wanted in the first place. It was not sure that what it was getting was what was needed; it had EPA look at that.

And the problem of extending the contract was, why extend it? The work seemed to be developed by the contractor and there was no need to extend this current situation.

Going back to why GSA mentioned that it needed the contractor, it mentioned technical expertise. When we looked at the product of JMA Associates, it looked as if—that EPA translated the technical data and JMA compiled. JMA also compiled information that is readily available on the Internet, and it also put out some inaccurate information in terms of work product. But as far as scientific and technical information goes, my office just did not see that JMA was adding value in translating technical and scientific information.

So, if you have that situation, why extend the contract? You still do not know why you have them and what you need them for. So, why extend it?

Senator PORTMAN. OK. I need to end my question because my time has come to the end.

But again, I think we have learned some things here that hopefully can be helpful going forward. I do not think this, again, is about this specific contractor who, after all, was sought after by GSA on a sole source basis, but it is about how GSA, as a major contractor and as a Federal agency that has a key role in helping other Federal agencies to contract conducts itself.

So, I think that after this hearing I would hope that the answer to the Chairman's question would be, yes, we made some errors and we can do better, and we will be sure that what we learned from this situation is reflected in future guidance.

Thank you, Madam Chairman.

Senator McCASKILL. Thank you, Senator Portman.

Mr. Miller, in the original IG report you did—and I want to say that—I do want to underline what Ms. Ruwwe was so intent upon saying, because I think it is important to the people that work at Bannister, that there now have been dozens, and dozens, and dozens of tests that have been performed, none of which have indicated a health hazard to the employees and families that work at Bannister and their children cared for at Bannister.

But the issue here is not whether or not it is safe today, but how GSA handled the challenges of dealing with the questions about the safety at Bannister, and whether or not they were timely and aggressive in terms of some of the testing that was performed, and most importantly, whether they looked within government for resources to communicate to the public instead of what appears to be in almost a knee-jerk fashion to citing it is time to get a big PR firm—well, a PR firm, they were not a big firm—but an expensive—I mean, for 3 months' work, they made double the salary of any public relations person at GSA, for 3 months' work.

In fact, originally, Mobley said, let us do a 5-year ceiling with \$5 million. As it turns out, this contract for 3 months, if you extrapolated out over the life of a year would have been a million-dollar contract.

This is exactly the kind of thing that allows the public to get deep-rooted cynicism about the way we spend money. This is exactly it, that we must have—this must be Monopoly money, if we are paying someone for 3 months' work, double the salary of anyone that works in public affairs within GSA. That is an extraordinary amount of money to pay someone for 3 months' work.

And I know they say 1,800 hours. Mr. Miller, could you comment about the work product—I mean, 1,800 hours in 3 months and this is the deliverables. This is a quarter of a million dollars, approximately, a little less.

And a lot of the things they did, when I looked at the list—which, by the way, they prepared. Mobley prepared the list of deliverables that we have been referring to in terms of this investigation, and most of them were meetings with government officials, internal meetings. And now, I know they prepared some materials that were given to the public and some written materials.

Let me back up about your audit that said—I mean, your investigation, Mr. Miller, that said that the GSA officials provided incorrect and misleading information. Would you specifically and briefly say what it was that you thought was incorrect that they provided you in the Inspector General investigation that was done concerning the testing and the environmental testing that was done at Bannister, and what was the misleading information?

Mr. MILLER. Yes, Senator.

The most notable misleading and inaccurate information was about documents being produced. There was a 2005 letter from the Missouri Department of Natural Resources (MDNR) from January 2005 that raised concerns about the conditions at Bannister.

There was a June email following up on that, it was not responded to by GSA.

There was a June email by MDNR following up on that.

And there were letters in October 2005. When we went to GSA initially, these were not produced. They were also not produced under the Freedom of Information Act (FOIA) request. So, that information was not produced. We went back after obtaining that information from the MDNR—we went back and asked GSA.

Senator MCCASKILL. So, your source for the document that you found was in fact the Missouri Department of Natural Resources as opposed to GSA.

Mr. MILLER. Yes.

Senator MCCASKILL. And then, you went back and said, why did you not give us this information.

Mr. MILLER. Yes.

Senator MCCASKILL. And you were told?

Mr. MILLER. I was told that they did not have that information, that they were not aware of it.

We talked to the individuals involved in the correspondences, the environmental hygienists, and we asked if they drafted it—if they saw it and if they drafted a response or an email responding, and they could not remember.

Senator MCCASKILL. Mr. Peck, would you like to—I know you have a difference of opinion about the way the Inspector General characterized “misleading and incorrect,” and would you—I want to give you an opportunity, in fairness—

Mr. PECK. Yes.

Senator MCCASKILL [continuing]. To respond for the record your characterization of the fact that an important source document for an investigation like this they had to receive from a secondary source as opposed to the agency that they had the responsibility to provide watchdog services.

Mr. PECK. Well, thank you for the opportunity.

First of all, needless to say, when we get a Freedom of Information Act request, I mean, our obligation is to produce everything that we can. I think in this case, we produced some 30 volumes of documents, including, I think—I do not know if the Inspector General would agree—including documents that if you were looking to make—if you were out to make yourself look good, you probably would not produce if you were trying to hide things.

And so, I guess my concern—and I do not think it is a quibble, because we are talking about the integrity of Federal employees—is that I believe, as near as I can tell, that the failure to produce that letter was not deliberate, that nobody was trying to hide the fact that MDNR had written a letter. And that is my concern because, as we said, we have been—as near as I can tell, in the times I was not at GSA and in the times that I have been, we have tried to be as open and forthright as to what is going on at the Bannister Complex as we can, and to respond to requests.

Senator McCASKILL. I would assume, though, that you would acknowledge that a letter from the Missouri Department of Natural Resources criticizing the agency's limited investigation of trichloroethylene (TCE) contamination would have been a serious issue, and that document should have been placed in a place—I would assume that you would have a filing system that would certainly prioritize another—this would be similar to the EPA coming to Bannister and saying, we do not think you have done enough on TCE site contamination.

I am just curious, it is either—if it is inadvertent, it is incompetence; if it is not inadvertent, it is even more troubling.

Would you acknowledge that this is a huge problem?

Mr. PECK. It certainly is a problem. It is in the context of 40,000 documents that were—something like that—that were produced.

I do not to this day know why it was not—what happened to it and why it was not responded to at the time. But again, my concern, because we are talking about the confidence of the public in what we do, is that we can sure make mistakes, but we are not covering up and we are not intending to mislead people.

Ms. RUWWE. And may I expand on that.

Senator McCASKILL. You need to turn your microphone on, Ms. Ruwwe.

Ms. RUWWE. Sorry.

If I can expand on that, that has been one of our lessons learned, and one of the IG's recommendations, that we actually have a robust documentation filing system. And so, now, it is all electronic, it is easily accessible, and so, that mistake will not occur again.

Mr. MILLER. Senator, if I could simply add quickly that we found it in the GSA database, after we were told it did not exist in the database. We used simple search terms, and our auditors put the search terms in the database and found it when the GSA officials could not.

Senator McCASKILL. That is hard to—they find it by going in your database with simple search terms, but you all are still maintaining you could not find it.

Do you agree that is troubling?

Mr. PECK. I would like to know what—who used what search terms to find it and how we did a search that did not find it. I would certainly want to know that.

Senator MCCASKILL. Well, I think that would be something that I am sure that Mr. Miller would be glad to follow up with you about the technical nature of their database search within your database to find the document.

And it would be interesting to see what kind of search was done by GSA to find the document after it was brought to your attention that it had not been produced.

Ms. RUWWE. And if I can expand on that, as well, in developing our electronic documentation system, we have found more documents and we have provided that, I believe, to the IG afterwards.

We acknowledge that we had a poor documentation system. Our staff of people—

Senator MCCASKILL. But they found it in your documentation system. They found it by a simple database search. Why could you not have found it by a simple database search?

Ms. RUWWE. I cannot answer that question directly, but I can say that, if you have a document and you have it in your hand, it is probably easier to research then just doing a blanket search.

Senator MCCASKILL. But they asked you about the presence of the letter and you said you still did not have it.

Correct me if I am wrong, Mr. Miller: They get a letter from the Department of Natural Resources (DNR) they had not gotten from you about TCE testing. They say to you, why did you not produce this letter. You say, we do not have it. Then, and it is—we do not know what you are talking about. We do not have that letter. They then go in your database, OK, and with simple search terms, find the letter.

Now, you understand that this is problematic.

Ms. RUWWE. That is the case and that is what happened.

The staff, when asked, why did you not have that letter, they simply did not recall.

Senator MCCASKILL. Did they do a database search for the letter when they were asked by the Inspector General for the letter?

Ms. RUWWE. I am not sure what kind of a search that they did to find that letter.

Senator MCCASKILL. I would think that would be something you would want to know.

Ms. RUWWE. They did find—

Senator MCCASKILL. Because are these people not working for you?

Ms. RUWWE. Yes, they did—

Senator MCCASKILL. And you are telling me that you are in the middle of an Inspector General investigation and a letter turns up that you have not presented to the Inspector General, they find this letter, they come to you and say, why is this letter not—and the other emails—part of what you produced? And you go to your people and say, why did we not produce this letter, and they say, we do not have it, we cannot find it. You then find out they find it using your database and simple search terms.

Did you go back to the personnel accountable for this and did you ask them why you could not find this? Did you do a database search? Who is the person that is responsible, Ms. Ruwwe?

Ms. RUWWE. I have had personal dialogue with our safety and environmental program team, and in that dialogue, I wanted to find out the details of the letter which I have seen, and in the details of the letter—and actually, I have talked with the Missouri Department of Natural Resources about it, too, and the circumstances around that.

That letter was written from one technician, from the Missouri Department of Natural Resources—

Senator MCCASKILL. No. You are not—I understand you did not find the letter initially.

This is my question—this comes to accountability. This comes to Federal employees that have responsibilities and expertise, and they are paid accordingly. OK.

Now, you now know there is a letter that you did not produce. This makes you look bad; right? So, you want to find out where this letter was and why you did not produce it.

So, you go to the people that work for you and you say to them, why did we not produce the letter; correct?

Ms. RUWWE. Yes.

Senator MCCASKILL. And they said to you, we do not have the letter; correct?

Ms. RUWWE. They could not find it immediately. They ultimately did.

Senator MCCASKILL. Wait. Did they say you do not have it or they could not find it.

Ms. RUWWE. They could not find it immediately. They ultimately did.

Senator MCCASKILL. OK. So, now, what we know is that the Inspector General, once you told them they could not find it, the Inspector General does not go to MDNR, he goes in your database and does a simple search and finds the letter.

Now, at this point in time, did you take disciplinary action against the people responsible for finding the letter in your agency which made you now—not only did you not give them the letter, you have now said you cannot find it and they find it with a simple data search.

Ms. RUWWE. What we have done is improved our documentation and filing system, and so, that will not happen again.

Senator MCCASKILL. Do you need the Inspector General to train your people on how to do a database search in your database? That is what it sounds like.

Mr. MILLER. Senator, if I could add, we used the same search terms that the GSA person told us they used and could not find the document.

Ms. RUWWE. Our legal staff—once provided the documentation, our legal staff went through that documentation and conducted the redaction process. And so, our people—there was nothing to hide, and as Commissioner Peck said, there were a lot of documents in there that, if we wanted to, we could have taken out.

Senator MCCASKILL. No, I understand. I am more going to incompetence and accountability here, that clearly mistakes were

made and clearly it does not appear to me that people who have made the mistakes are responsible for the mistakes, that there was any accountability.

This is obviously embarrassing that you cannot find a letter and then, using the same search terms that you supposedly used, they find it immediately, and it is a pretty important letter.

So, I guess that is the point I am trying to make, Ms. Ruwwe. I mean, I am not going to sit here—believe me, I know there are thousands and thousands of Federal employees that have incredible integrity and I am not here casting aspersions on your integrity. What I am saying is this was ugly. It was sloppy, ugly, messy, and bad.

And the most frustrating thing about this hearing is that I have not heard enough acknowledgement from anybody from GSA that mistakes were made and that it should not have been done this way.

Let me just go through the facts which I think will highlight another point, and then I will turn it back over to Senator Portman.

The letter itself, despite the issue in the letter that was raised in TCE, the Public Building Services took no substantive investigation action for 18 months concerning that letter. When it finally initiated a site inspection after 18 months, that site inspection was not completed until 3½ years after the Missouri Department of Natural Resources letter was sent about TCE contamination.

The Public Building Services did not respond to Missouri Department of Natural Resources regarding its concerns and terminated their environmental oversight on October 24, 2005.

One of Department of Natural Resources concerns related to the childcare facility was not addressed until a vapor intrusion system was installed 5 years after the Missouri Department of Natural Resources letter.

But yet, when a Senator calls for an Inspector General investigation, we are able to get a PR contract in 24 hours.

Ms. RUWWE. Can I respond to that?

Senator MCCASKILL. Yes, you may.

Ms. RUWWE. OK. From what I believe—and I want to consult with my—one of my project managers back behind me—from what I believe, the testing that we were doing in the childcare center and other parts of the complex was air sampling testing. And the testing that the Missouri Department of Natural Resources and the Environmental Protection Agency were recommending, it was somewhat—it was newer—a newer form of testing, and it was sub-slab testing.

So, they were testing vapor intrusion from below the slab, and that was something that we had not conducted in the past. But we did do our due diligence, in our perception and our understanding, with the air sampling, but it was further recommended by the Missouri Department of Natural Resources to conduct this sub-slab testing.

Senator MCCASKILL. I guess the point I am making is this is a letter you could not find and it recommended an action on a certain form of contamination and it took years to follow up on that letter, but the PR contract went quickly, and I think that is the point we are trying to make. Maybe if there had been better work done

along the way maybe we would not have been to the point that you all considered bad press, a crisis.

Ms. RUWWE. And can I respond to that?

Senator McCASKILL. Yes.

Ms. RUWWE. We acknowledge—and I want you to hear loud and clear—we acknowledge that there is a lot of room for improvement.

We value and have a very good working relationship with the Inspector General, and we value their feedback and recommendations. We have taken this as an opportunity to do a lot of improvement and thoroughly believe in continuous improvement and we are taking those lessons learned and we know we can do better, and we have already done a multitude of things that have been somewhat discussed here today, but from the additional testing, we value the recommendations of the Environmental Protection Agency. We are doing our due diligence in following up in those other areas that they would recommend that we follow up in.

We have done the fix on our electronic filing system; we do not want that mistake to happen again. We want open, honest transparency in our communications, and the number one priority is the health and safety of our tenants and our associates, the parents dropping their kids off at the childcare center. We want them to feel safe, an assurance to have that.

And so, throughout this process, over the last year, 2010 has been—it has been a rough year, and the biggest challenge has been in the communications piece and earning the trust back of the public.

Senator McCASKILL. And the press continues.

Ms. RUWWE. Yes.

Senator McCASKILL. There have been major stories that have been negative about the complex long after Jane Mobley got her last dollar; correct?

Ms. RUWWE. Yes.

Senator McCASKILL. OK. Senator Portman.

Senator PORTMAN. Thank you, Madam Chairman.

And just to review where we are, I hope, it sounds like we have a different response from the panel, and specifically from the GSA members of the panel on what went wrong in this process. And again, I hope we can learn from it. I think with \$530 billion a year—more this year; that was last year's number—going out in contracts, this is an area where GSA should take a leadership role.

I think this notion of in-house expertise is something Commissioner Peck and Ms. Johnson will take a look at, including, by the way, not just regional expertise but Washington expertise—in this case, public affairs expertise—the use of other Federal Government expertise being something that I think is appropriate, and I know that is an issue where there may be some difference of opinion, but in this case the expertise at EPA to deal with some of the technical and more complex issues that were raised would be appropriate before going outside, perhaps, to a firm that does not have that expertise.

The issue of sole source contracting, which is always an issue and justifications for it is something where you all ought to, again, not just have clear rules internally but be able to provide that guidance for other agencies and departments.

And scope of work, I think Mr. Miller stated it pretty well earlier: You do not know what you are going to get if you do not take the time and sometimes, as Mr. Peck says, it is difficult with technical information to know what you want. Well, then, again, going to the expertise either in-house or in another governmental agency, there was a Statement of Work being written by government rather than written by the contractor, him or herself, a notion of measurable objectives. I mean, this is something that government struggles with and does not do well enough, and without the private sector incentives and motivations, sometimes it is hard, but you therefore have to redouble your efforts to have measurable objectives in specific deliverables, and then, of course, when it is appropriate to extend a contract or not, and I think in this case, for all the reasons that we have stated earlier, an extension should be dealt with like an initiation of a contract.

So, I do not have any other questions, Madam Chairman, except to say that this has been, I hope, an illuminating hearing to raise some of these issues and to help ensure that GSA as the leader in the contracting community and learns from this experience, as well.

Thank you, Madam Chairman.

Senator McCASKILL. Thank you, Senator Portman.

I would ask, if any of you have anything you would like to add to the record, the record will remain open.

If you want to add anything—if you want to say anything else right now, you are certainly welcome to.

Mr. PECK. We do, at least I do.

Madam Chairman, Senator, I appreciate all your comments. I appreciate also your concern. We do believe—and I am going to—the Administrator is in charge of—has a passion about making GSA a model for contracting and for the way the government can behave in a businesslike manner, and I am going to allow her to talk about that.

I want to say on behalf of the Public Building Service, I want to be very clear about my answer to your first question, did we do anything wrong? In a sense of legal culpability, no. Did we make mistakes? Certainly, in hindsight, we made mistakes, and I want to assure you of a couple of things.

One is that we are very aggressive. We run a lot of projects every year on behalf of the American people, most of them, the vast majority of them, come out great, but as I have seen in the private sector as well as the public sector, you learn something that you say, boy, I am not going to do that again, I learned a lesson. We are very aggressive in learning our lessons. We are very aggressive in training out contracting officers about issues like sole source, and we work hard to make sure that we abide by the government's rules.

There is an irony, as you well know that, if you are in the private sector working with the government, sometimes you say, well, there is a surfeit of rules that make it difficult for the government to work efficiently. So, we work very hard to make sure we obey all the rules and that we can get the people's business done efficiently and productively. And I can assure you that this is an epi-

sode from which we have learned a couple of lessons, and I think you have noted them.

We understand that we need in-house expertise of a certain type in buildings that have environmental issues, and it has to do both with being able to understand the issues, explain them to people, and make sure that people are confident in what we are doing.

So, I do not want you to believe that we just walk away saying, well, that was just a one-off. We do not want to have the issue that we have with public confidence in a place like the Bannister Complex. We want to be able to keep it safe and convince people that it is, in fact, safe for them to work in.

Ms. JOHNSON. Allow me just to say a few things.

First of all, I appreciate this hearing because, as you say, contracting is not necessarily sexy to the American public, but it is critical and important, and we are one of the biggest agents in the government for that expertise and to help the rest of the government function with great stewardship towards the taxpayer dollar.

I want to also commend you for raising the issue of services contracts. I think that is an arena where I would like to continue to work very closely with our customer agencies and with you to be sure that we are supporting the government well.

Services contracts are growing because of the last decade of outsourcing, and it is an important arena and a huge one.

I also completely agree with the notion that we need to be more sophisticated about how to communicate technical information. In a 24/7 news cycle, there is a lot of information that is going out, but it is one that needs to be understood and clearly taught. So, we have, I think, a challenge, as does the private sector on that.

I am delighted to be at GSA. I think we have a lot of potential for fixing some of these problems. I also commend to you the issue of contractors and their training and their support. It is a profession within the government that deserves our resourcing and our—

Mr. PECK. You mean contracting officers.

Ms. JOHNSON. Contracting officers. What did I say? Contracting officers, I think they need our support and they need our investment, and that is the vehicle by which we can then stand tall that our contracting is done with integrity and with the—safeguarding the American taxpayer dollar. Thank you.

Senator McCASKILL. This Subcommittee has spent a lot of time on contracting—on contracting officer representatives (CORs), and this was another weird thing about this contract, was that the contracting representative was somebody at the EPA as opposed to somebody at GSA for the first month of the contract, and then, I think you guys figured out that was not the right way to do it, and you changed it.

I know, Mr. Miller, you continue to audit, and we will look forward to your work. And I try to every hearing to send support and acknowledgement and respect for the work that the Inspector General community does. It is not easy. I do not care what they say, they are not glad to see you.

And the bottom line here is we had a one-day, non-competitive, sole-sourced contract, with the work written by the contractor, with misinformation that was surrounding the contract, the assumption

that EPA was writing the Statement of Work, the assumption that EPA had done business with this firm before.

And then, it was renewed, even though the regional administrator had said, I think it is too expensive. It was rushed through anyway, the extension. That is a subject for another day, what has happened to the role of the regional administrator within GSA; clearly, it has been changed, and I think it was changed when nobody was watching. And I am not saying that it should not be changed, but the question is, if the regional administrators are not going to have any power, why do we have them? I am not sure that we need to have them if they are—clearly, his saying that he did not want to do the contract did not slow you down. You knew that you had authority over him; he did not have authority over you.

And I understand that maybe there is a management reason to make that change, and I am open to hearing about it, but I do not think the members of the Senate understand what happened and when it happened, because it was clearly changed in the interim time when George Bush left office and the time that you, Ms. Johnson, took office, there was effort made in GSA to change what had been traditionally the role, and that is a subject for another day and does not impact what we are dealing with today.

And finally, I would just say, accountability. If we now acknowledge at the end of the hearing that mistakes were made, then I have yet to see where anyone was held accountable for those mistakes. I know Ms. Ruwwe received a bonus last year, in one of the toughest economic years our country has ever seen.

And I am not saying it was all her fault, the mistakes that were made, but it is interesting to me that I am not aware of anyone who suffered any kind of accountability because of the mistakes that were made surrounding this contract, and that is troubling to me. I do not think that would happen in the private sector, and I think it is important that we demonstrate to the public that when mistakes are made that someone is held accountable and I am not convinced that is the case in this particular contract.

We will keep the record open for 7 days. If there is anything you want to add based on any comments that have been made today, as you look at the record, if there is anything you want to correct. Certainly, we do not want the record to stand that we heard you say something different than what you meant, so feel free, and we will continue to monitor—especially sole source service contracts in the Federal Government. As the old saying goes, there is money to be saved there, and serious money to be saved there, hundreds and hundreds of millions of dollars. I would never want a PR contract issued the way this one was issued in the Federal Government again. We have plenty of folks that—and the way I look at technical information, Ms. Johnson, is, first of all, I need to understand it and, once I understand it, I ought to be able to explain it. And if you have people working for you in public affairs that, once a complex subject matter is explained to them and they cannot explain it, then you need to find new people, because it is the translation of complicated information into simple terms that is the essence of making sure the public understands complex subject matter. And I do not think it takes a PR firm to do that. I think it just takes somebody being able to explain it to you and then you

being able to characterize that explanation in a simple and straightforward way.

I do not think that is the kind of technical expertise that is not found in the Federal Government. If it is not in the Federal Government, then we are in big trouble; we are in big trouble.

So, I appreciate you, Senator Portman, and if you do not have any other comments, we will close the hearing, and I thank you all for your attendance today.

Thank you.

[Whereupon, at 11:51 a.m., the Subcommittee was adjourned.]

APPENDIX

**STATEMENT OF HON. BRIAN D. MILLER
INSPECTOR GENERAL, GENERAL SERVICES ADMINISTRATION
BEFORE THE SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS, AD HOC SUBCOMMITTEE ON
CONTRACTING OVERSIGHT**



MARCH 1, 2011

Madame Chair, Ranking Member Portman, and Members of the Subcommittee, thank you for your invitation to testify on the use of public relations contracts at the General Services Administration (GSA) in the Heartland Region. I would also like to thank you for your continued support of Inspectors General and for the Subcommittee's strong commitment to oversight.

The Subcommittee has asked me to present the GSA Office of Inspector General's (OIG) findings from its review of a \$234,000 contract that was awarded to Jane Mobley Associates, Inc. (JMA) to assist GSA with communications related to environmental concerns at the Bannister Federal Complex (Bannister) in Kansas City, Missouri. I will also address GSA OIG reports regarding environmental concerns at Bannister and GSA's response. GSA OIG issued reports on its reviews of Bannister on June 24, 2010, and November 8, 2010, which are both available on our website.

GSA OIG's review of the JMA contract is ongoing, as an audit and an investigation. On February 18, 2011, the OIG issued an interim audit memorandum to GSA to notify GSA management of the problems with the JMA contract and to ensure that these types of problems are not repeated in future procurements. Problems include:

- There was inadequate justification to award a sole-source contract to JMA;
- The scope of work was not adequately defined or priced;
- The initial task order had no specific deliverables; and
- The contract extension was not justified.

Environmental Concerns at Bannister

The Bannister Federal Complex consists of 310 acres located in the southern part of Kansas City, Missouri. It started as a manufacturing plant that used toxic substances. Soil and groundwater contamination resulted. Bannister is currently divided into GSA-controlled space and Department of Energy space. The Department of Energy controls over three million square feet of building space, and its National Nuclear Security Administration produces non-nuclear components of national defense systems at the site.

Concerns about the health of current and former occupants of the Bannister Complex were brought to light in November 2009 by local media reports. Originating from a letter drafted by Bannister employees, local media circulated a list of 95 names of individuals alleged to have developed cancer or other illnesses related to environmental conditions at Bannister. These reports stated that historical contaminants at Bannister such as trichloroethylene (TCE), lead, petroleum hydrocarbons, beryllium, uranium, and polychlorinated biphenyls (PCBs) caused occupants to contract cancer or other illnesses symptomatic of exposure to such compounds. News reports further stated that such exposure may have resulted in the deaths of some occupants of the Bannister facilities.

On February 3, 2010, then-Senator Christopher "Kit" Bond of Missouri sent a letter to me requesting a review of the environmental conditions at Bannister. My office then performed an audit to determine whether GSA's Public Buildings Service¹ (PBS) took appropriate steps to protect the health and safety of the occupants in the PBS space at Bannister. During that audit, we issued an interim report on June 24, 2010, to advise GSA that they had not been fully responsive to a Freedom of Information Act request when they did not disclose the existence of a January 7, 2005, letter from the Missouri Department of Natural Resources (MDNR).

The final audit report on environmental issues, which was issued on November 8, 2010, concluded that while environmental testing conducted in 2010 did not identify any significant health hazards at Bannister at that time, the lack of effective environmental oversight in the previous 10 year period precludes GSA from ensuring that historically the complex had been a safe and healthy workplace. Additional findings included the following:

- GSA personnel provided incorrect and misleading information to both the OIG during our review and to the public concerning environmental issues at Bannister. For example, agency management stated that comprehensive annual and five year safety and health evaluations were conducted at Bannister. This characterization was misleading in that the surveys they

¹ GSA's Public Buildings Service operates federally owned buildings throughout the country.

referenced consisted of visual safety walkthroughs, but did not include testing for such substances as beryllium and TCEs.

- PBS did not always take appropriate steps to protect the health and safety of the occupants at Bannister when presented with evidence of potential hazards. PBS's lax oversight is demonstrated by its delayed response to a January 7, 2005, letter from the Missouri Department of Natural Resources (MDNR). MDNR criticized the Agency's limited investigation of TCE contamination. Despite the seriousness of the issues raised in MDNR's letter, PBS took no substantive investigative action for eighteen months, when it finally initiated a site inspection. That site inspection was not completed until three and a half years after MDNR's letter. PBS did not respond to MDNR regarding its concerns and terminated MDNR's environmental oversight contract on October 24, 2005. One of MDNR's concerns related to the child care facility was not addressed until a vapor intrusion system was installed five years after the date of the MDNR letter.

It is important to note that GSA's recent efforts regarding the environmental concerns have been encouraging. In 2010, PBS enlisted the assistance of the Environmental Protection Agency (EPA) and the Center for Disease Control's National Institute for Occupational Safety and Health (NIOSH) to conduct water, air, and soil analyses and to provide health screening services, respectively. However, GSA's neglect regarding the environmental issues before media reports and government investigation requests surfaced, along with the dissemination of incorrect information, damaged GSA's credibility with the site's occupants and with the general public.

In summary, regional personnel should have known about applicable environmental requirements; approached testing systematically given the known contaminants; followed up on concerns; and documented decisions.²

Jane Mobley Associates, Inc. (JMA) Contract

On February 4, 2010, one day after Senator Bond asked the OIG to investigate the problems at Bannister, the PBS Regional Commissioner instructed PBS contracting officials to award a task order to JMA under its existing GSA multiple award schedule (MAS) contract, number GS-23F-0354P.

One day later, on February 5, 2010, the contracting officer awarded a \$99,940.25 firm fixed-price task order to JMA for a performance period of February 5 to March 8, 2010. The statement of work (SOW) called for "Public Relations Services" and required that:

² The lack of proactive national environmental management by PBS is a vulnerability identified by GSA OIG in the November Audit Report (at 7) and in earlier reviews (e.g., OIG 2006 Review of the PBS Environment Program Management (A050040/P/4/R06003)).

The contractor shall provide expertise and technical support, equipment, materials, and supplies necessary to support the government in responding to complaints against government officials about handling of notice by current and former government employees indicating health concerns caused by toxic substances at the site of the Bannister Federal Complex.

The SOW listed tasks and deliverables related to arranging meetings; message development to the media, government officials, and Bannister employees; development of materials for media; information management across multiple agencies; and stakeholder identification and communication.

On March 8, 2010, the contract was extended to May 10, 2010, at an estimated cost of \$134,400, for a total price of over \$234,000.³

Award Problems

GSA OIG found several problems related to the contract award and extension.

First, the award inappropriately cited an "unusual and compelling need" as a justification for limiting competition. While an "urgent and compelling need" can be a justification, the circumstances must show that following ordering procedures would result in unacceptable delays. PBS contracting personnel, however, did not demonstrate that soliciting other sources would have resulted in unacceptable delays. A failure of advance planning is not an adequate justification to restrict competition. As I stated earlier, media attention on Bannister began in November 2009, several months before the decision to immediately enter into the JMA contract. Furthermore, the decision to contract with a public relations firm was made by the region after consulting with the PBS Commissioner and Central Office staff. According to the PBS Commissioner, a public relations contract did not have to be awarded in one day, and discussions regarding obtaining a contract had been on-going for months.

Second, there was very little information in the task order file justifying why JMA was selected. There was no indication that JMA had unique qualifications. Rather, PBS officials stated that JMA was selected for a sole source contract based on a recommendation by an EPA official to the PBS Regional Commissioner. Later, in response to GSA OIG's memorandum, GSA officials stated that JMA was the only local public relations firm on the MAS schedule,⁴ and JMA had knowledge of the local

³ GSA also entered into a Blanket Purchase Agreement with JMA for one year effective June 1, 2010, with four one-year options. However, we do not believe GSA has used that BPA to obtain any services from JMA.

⁴ The MAS schedule lists another small, woman-owned business that offers public relations services, Creative Communications Network, located in Liberty, MO, about 25.9 miles from Bannister.

community and Bannister. Further, they stated that "JMA was knowledgeable of crisis management, experienced at digesting, evaluating, and translating technical data, and had previously worked with a broad spectrum of government agencies." These are not unique qualifications, and the only way to determine if there were other qualified firms, with better prices, would have been a competition for this contract.

Third, the scope of work was not adequately defined or priced as required by the Federal Acquisition Regulation. The task order file did not include a detailed description of the need for the services, specifics of the work to be performed, or performance measures. Because the tasks and deliverables listed in the SOW were very general, there was no documentation of how performance would be assessed or what each task should cost. There were also indications that JMA drafted the SOW itself.

Fourth, the contracting officer did not adequately determine whether the price was reasonable for the initial task order. She did not compare the price to independent government cost estimates, or even obtain such estimates. Rather, the contracting officer compared the proposed JMA rates to other MAS contract labor rates. However, since this was to be a fixed price contract, labor rates should not have been controlling, as the number of hours spent on each deliverable could also vary significantly. The price should have been based on the reasonableness of the cost of the deliverable. However, the scope of work was nebulous, and, without a defined scope, the contracting officer could not define deliverables or the labor hours necessary to produce them. JMA initially proposed labor rates ranging from \$61.41 an hour to \$270.41 an hour, but these labor categories were not linked to specific tasks or deliverables. The task order shows a lump sum award of \$99,940 with no breakdown of work items. Furthermore, the contract file did not make clear why an EPA employee provided input on the proposed price. This individual was also involved in authorizing contract payment. GSA should have relied on its own personnel, not someone from an outside agency, to make judgments concerning the reasonableness of pricing for required work products for GSA's own contracts, and to fully document those judgments in the contract file.

Fifth, GSA extended the contract for two months, increasing the cost by another \$134,400. Although GSA insists that it continued to be a firm fixed-price contract, the payments were based on hours billed. Regardless, GSA did not document why the extension was needed or had to be sole-sourced.

Last, the work product from JMA that the region provided us did not demonstrate any special expertise in terms of knowledge of Bannister or digesting and translating technical data. The JMA work product did contain information readily available on the internet, and, in some cases, inaccurate data.

Conclusion

Ensuring the health and safety of its occupants should be GSA's first priority as a federal landlord. However, GSA was not initially responsive to workers' concerns about environmental issues. Once GSA began to address the environmental issues, it chose to contract with a public relations firm, JMA, to try to put its actions in the most favorable light.

Unfortunately, the resulting JMA contract was poorly conceived and administered. GSA awarded JMA a task order without substantiating the asserted "unusual and compelling need" to justify restricting competition. Furthermore, the award lacked measurable deliverables and a well defined scope of work. This created a situation in which the Government has no assurance that it paid a fair price for the services it received.

Opening Statement

General Services Administration

Administrator Martha Johnson

Committee on Homeland Security and Government Affairs

Subcommittee on Contracting Oversight

March 1, 2011

Chairwoman McCaskill and Ranking Member Portman, I am Martha Johnson, Administrator of the General Services Administration. I took the oath of office on February 7, 2010 and I am honored to serve in this capacity. I would like to thank each of you for the opportunity to appear before the Senate Subcommittee on Contracting Oversight today. As requested, I am here today to speak to the General Services Administration's award, management and oversight of the Jane Mobley Associates' contract.

In November 2009, GSA's Heartland Region began to receive media and public inquiries revolving around health and safety issues at the Bannister Federal Complex. The Bannister Federal Complex consists of 5 million square feet of mixed-use space with 42 buildings, GSA controls 12 buildings totaling 2 million square feet. From the 1940s through the mid 1970s, the ownership and control of the property was divided between GSA and the Department of Energy.

By late January 2010, these inquiries had increased twofold, causing unprecedented tenant and employee concerns about the safety of the Bannister Federal Complex.

The quantity and complex nature of these media inquiries as well as various government reports regarding the Bannister Federal Complex indicated the need for a more advanced level of communications expertise than the Heartland Region could provide in house.

At the urging of the Administrators' office, the Heartland Region consulted with the Regional Environmental Protection Agency. Given EPA's experience with environmental communications, the EPA Associate Regional Administrator recommended a local communications firm, Jane Mobley Associates Inc.

In addition to their listed professional references, EPA indicated that Jane Mobley Associates had first hand environmental crisis management experience, experience with evaluating and translating technical data and in fact had previously worked with other government agencies.

Relying on EPA's superior experience with environmental crisis management and communications, GSA sought guidance on framing the statement of work from EPA. EPA appropriately provided the required assistance and GSA then negotiated a final statement of work with Jane Mobley Associates.

Upon finalizing the statement of work, the Heartland Region expedited the retention of Jane Mobley Associates. The expedited timeline for selection was based on the existing "urgent and compelling" circumstances. GSA believed that these circumstances existed because of employee and tenant concerns that conditions impaired their ability to work.

On February 5, 2010 the Heartland Region entered into a one month contract for services with Jane Mobley Associates.

The Heartland Region and Jane Mobley Associates developed a communications plan, discussed test results in reports commissioned by the EPA and National Institute for Occupational Safety and Health, and created a contingency plan for an alternate site for the child care center.

Significant progress on local communications had been made after one month. However, the Heartland Region was still not comfortable in its capacity to respond to multiple inquiries from the media, current and former employees and the public. Moreover it was apparent that extensive outreach and coordination were still needed to address the public concerns.

On March 8, 2010, the Heartland Region issued a modification to the existing contract to extend the services under the original agreement. The scope of work and discussions with JMA made clear that the last two months were to serve as a transition period, during which GSA would assume and manage these responsibilities in-house. Jane Mobley Associates assisted GSA in providing clarity on issues, performed extensive research and facilitated meetings between GSA, EPA and the Department of Energy.

Jane Mobley Associates also assisted in the further development of the skills and knowledge of in-house staff in preparation for assuming the communications role for this issue.

In sum, GSA was faced with a series of complex issues at the Bannister Federal Complex and since the health and safety of GSA employees is our number one responsibility, the Heartland Region moved swiftly to address employee and community concerns and prevented continued harm to the agency.

Pursuant to the Inspector General's Report which contained a list of recommendations, GSA has taken proactive steps in pursuit of those goals which I believe will further enhance the safety and management of the Bannister Federal Complex. First, we have developed an environmental work plan and quality assurance project. Second, we have finalized a GSA

regional environmental management system to manage and monitor the regional program in accordance with EPA guidance. Third, we have established a system where information released goes through a multi-step review process to ensure accuracy. In view of the above, I believe these positive steps illustrate our true desire to achieve transparency, accountability and better management of those challenging issues that have appeared at the Bannister Federal Complex.

This concludes my remarks and I look forward to a productive discussion with the committee today.

**STATEMENT OF ROBERT PECK
COMMISSIONER
PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

BEFORE THE

SUBCOMMITTEE ON CONTRACTING OVERSIGHT

**U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENT AFFAIRS**

TUESDAY, MARCH 1, 2011



Good morning Madam Chair McCaskill, Ranking Member Portman, and members of this subcommittee. Thank you for inviting me to speak to you today regarding public relations services for the U.S. General Services Administration (GSA). GSA manages a portfolio of more than 1,500 federally owned buildings. As the Federal government landlord, it is our job to ensure our buildings are safe, well functioning, and welcoming for all tenants and visitors. We have expertise in effectively managing building operations and responding to concerns of our occupants. One of our many responsibilities as property managers is conducting comprehensive surveys and testing to ensure that each Federal facility is safe for occupancy.

GSA strives to be open and responsive in our communication with both tenants and the public. When complex matters arise outside of our expertise, GSA may procure services from professionals with proficiency in that area. Public relations is one area in which GSA occasionally procures services from outside consultants, including the ability to procure contracts for crisis communications and emergency management.

GSA: the Government's Asset Manager

On a daily basis, GSA manages such building and tenant issues as fire and life safety and environmental issues. GSA conducts periodic surveys and assessments of our buildings to ensure facilities are well functioning and safe for tenants. As specific concerns arise from tenants, GSA assesses the true nature and scope of the problem, usually via studies or tests, and then addresses the problem as those assessments indicate is necessary. GSA often contracts with third parties to conduct these evaluations to ensure we receive independent assessments and we also often contract with third parties to carry out corrective measures. In fact, most routine mechanical maintenance and cleaning functions in Federal buildings are carried out by third party contractors, as well.

Some concerns we receive from tenants involve environmental and health issues. These concerns typically relate to drinking water, mold, and indoor air quality. After thoroughly researching issues, GSA openly communicates our findings to tenants.

If GSA determines that an environmental problem does exist in a facility, we immediately take corrective measures. Most of the issues that arise in our buildings never become a public concern because GSA's experts are able to collaborate effectively with the tenant to dispel concerns. GSA relies on our in-house communication experts to help manage the message.

One example of GSA's effective management of tenant concerns and communications is our response to a chemical-like odor in one of our buildings at Silver Spring Metro Center. GSA investigated the complaints and discovered that the odor was caused by a flaw in the concrete floor compound. To ensure minimal inconvenience and disruption to our tenants, GSA relocated building occupants while remedying the problem. GSA performed a variety of tests as the repairs were being completed, in addition to follow-up tests six months after tenants returned. During this time, GSA regularly

communicated findings, test results, and corrective actions to tenants through a variety of mediums, including discussion forums and meetings.

In addition to outreach to tenants in our owned facilities, GSA also supports tenant agencies when issues arise in leased space. We assist other agencies in pursuing investigations and provide our expertise to the lessor, advocating on behalf of the tenant agency. For example, GSA worked closely with the Department of Transportation to provide assistance during DOT's initial investigation of the air quality in the Nassif Building in Washington, D.C. GSA reviewed many interim reports and test results throughout the investigation and provided technical assistance, such as industrial hygienist services and building systems experts. GSA also helped communicate messages to tenants to calm fears and address concerns through periodic Town Hall meetings. When GSA determined there were environmental issues with the building, GSA assisted DOT by providing new temporary leased space until the problem was resolved.

As effective asset managers, GSA continually assesses the condition of our buildings. If tenants raise concerns, GSA promptly responds and investigates the claim. We communicate our findings to tenant agencies to ensure everyone has accurate and impartial information.

Procuring Public Relations Contract Services

GSA routinely manages complex communication issues and handles media inquiries on an in-house basis. However, GSA can seek the assistance of outside communications resources when we identify either a lack of capacity or expertise on a specific subject matter. Such resources can be helpful in developing crisis management strategies. GSA sought external public relations services in the case of the Bannister Federal Complex in Kansas City, Missouri. This situation became particularly volatile due to complex and voluminous information requests, media accusations, and concerned tenants who had questions regarding the safety of their workplace.

GSA was already working closely with tenants to understand and address their environmental concerns at the Bannister Complex. Over the years, GSA continuously monitored and evaluated conditions in the building, and communicated back to tenant leadership that these evaluations established and maintained that the building is safe for occupancy.

In late 2009, tenant and employee concerns escalated regarding perceived environmental risks at the Bannister Complex. At this time, GSA saw an increase in inquiries and requests for information related to these concerns. Initially, GSA was able to manage this on its own. However, as media scrutiny increased, some tenants and employees became extremely upset and concerned for their health. As Regional Commissioner, Mary Ruwwe will explain next, there was widespread anxiety about the safety of both the workspace and childcare center at Bannister, and several tenants

threatened to move out of the facility. Furthermore, protests were held at the childcare center amidst media reports that the building was unsafe.

Given the significant burdens on the GSA's Heartland Region public affairs office from the volume of inquiries, GSA sought assistance from a local public relations contractor, Jane Mobley Associates, Incorporated (JMA). JMA helped us develop a plan to handle the large number of communication inquiries and effectively communicate the complex and technical results of our many environmental studies assessing the safety of the building. This assistance helped us ensure that our response to the public and Federal employees was both accurate and understandable. This response reflected the results of numerous assessments: all testing to date indicates that no current health risk exists.

GSA Procurement Vehicles for Public Relations Services

Through our Multiple Awards Schedules Program, GSA offers Federal agencies a streamlined means of acquiring services in the areas of advertising, public relations, and web-based marketing, as well as market research, video/film production, exhibit design, conference planning, commercial photography, and graphic design. Prices for services on the Schedules have already been determined to be fair and reasonable, after reviewing prices offered to similarly-situated commercial customers.

As I mentioned previously, GSA may procure contracted public affairs services for additional, short-term resources or for assistance in matters outside of our field of expertise. Private sector public relations professionals can provide Federal agencies with such customized media relations services as development of media messages and strategies; preparation of media materials such as press releases, speeches, presentations, and press kits; and execution of media programs such as press conferences, distribution of press materials, and management of interviews. In broad terms, these tasks could include public relations and crisis communications; training of agency personnel to deal with media and media responses; media alerts; press clipping services; and other related activities.

Conclusion

We at GSA take our obligation seriously to provide safe Federal facilities for our employees, the employees of our tenant agencies, and the visiting public. We fully understand and are committed to effectively communicating with employees and the public about the steps we are taking to assure that safety. The urgency of this obligation necessitated that we seek additional resources in Kansas City to ensure we addressed the situation in a timely and accurate manner. Our response constituted neither propaganda nor puffery, and it was legal.

Madam Chair, Ranking Member Portman, and members of the subcommittee, this concludes my statement. I appreciate the opportunity to speak about GSA's use of public relations contracts, and am happy to answer any questions.

**STATEMENT OF MARY RUWWE
REGIONAL COMMISSIONER
HEARTLAND REGION
PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

BEFORE THE

SUBCOMMITTEE ON CONTRACTING OVERSIGHT

**U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENT AFFAIRS**

TUESDAY, MARCH 1, 2011



Page 1 of 7

Good morning Madam Chair, Ranking Member Portman, and members of the Subcommittee. My name is Mary Ruwwe and I am the Regional Commissioner of the General Services Administration's (GSA) Public Buildings Service (PBS) in the Heartland Region. Thank you for the invitation to join you today to testify on PBS' use of public relations services with Jane Mobley Associates, Incorporated (JMA) at the Bannister Federal Complex in Kansas City, Missouri.

As a public official, my primary responsibility is to ensure the health and safety of the people working in and visiting GSA facilities. When concerns are raised regarding environmental safety in our buildings, GSA diligently works to address those concerns. This is certainly true in the case of the Bannister Federal Complex.

Over the years, GSA has continually monitored the Complex, conducting hundreds of environmental tests. All of these tests have indicated that the facility has been and remains a healthy environment for our employees, tenants, and the public. Until recently, GSA relied on in-house communication experts to relay information on our environmental programs, policies, and projects for the facility. In late 2009 and early 2010, however, circumstances changed drastically. Tenant and public inquiries significantly increased; the situation became more complex due to amplification of concerns by media reports, resulting in employees' heightened fears of unsafe conditions.

GSA realized we needed additional resources and technical assistance to fully understand and accurately characterize the developing situation. As a result, GSA procured communication services from JMA. With JMA's assistance, GSA acted swiftly to address employee and community concerns. As Regional Commissioner, I take all matters of employee health and workplace safety seriously and always work to ensure that appropriate action is taken to provide safe and healthy facilities.

The Bannister Federal Complex: Its History and Current Safety Status

The Bannister Federal Complex is a large Federal facility with a long history. The entire Complex consists of 5 million square feet of mixed-use space with 42 buildings on approximately 310 acres. Within the Complex, GSA controls 12 buildings, totaling 2 million square feet. From the 1940s through the mid 1970s, the ownership and control of the property was divided between GSA and the Department of Energy. During this time, the site was used for manufacturing airplane engines and non-nuclear components for nuclear weapons; it served as a Department of Defense landfill; and it housed other warehouse and office space. In those early years, chemicals used in manufacturing and solid waste disposal were not subject to today's standards for managing hazardous substances in the workplace or environment.

In the 1970s and 80s, various environmental regulations were established, and following those directions, the previous use of the site was evaluated and remediation began. Since 1989, GSA has operated a safety and environmental program that meets regulatory compliance. Based on the best available science, environmental testing to

date has indicated that no current health risk exists on the GSA-controlled portion of the Bannister Complex.

We Communicate with the Public

As ensuring the health and safety of tenants in Federal facilities is my primary responsibility, along with it comes a parallel duty to communicate with the public – honestly, promptly and effectively – whenever the public needs information about conditions that have potential health and safety aspects. Over the past decade until early 2010, there was an ebb and flow of environmental testing and occasional employee concerns at Bannister which were limited to an isolated area or issue.

With the release of certain media stories in late 2009, information requests began to increase to two or three inquiries per week. During this time, GSA's single in-house communication staff handled this communication and outreach.

Then, in late January 2010, circumstances changed radically. Over the course of seven days, multiple events pushed us beyond our in-house communication capabilities. Suddenly and unexpectedly the need for communications services increased in both quantity and quality. We experienced a significant increase in inquiries from the public, from local officials, and from the press. There were requests for additional testing. A protest was staged outside our Child Care Center Facility, featuring provocative signs and fear-inducing allegations. All of this widened and deepened the public's concerns over the safety of the Bannister Federal Complex. In addition to GSA's need to disseminate corrective information to a larger audience, we were challenged with the need to coordinate among Federal, state and local regulators on current and future oversight responsibilities.

These new events, together with a surge in media attention stoked by rumors and misconceptions, created an unpredictable and unprecedented "pressure cooker" environment that threatened our ability to maintain people's confidence in the Bannister Federal Complex as a safe place to work, to visit, and to entrust their children for the day. Such confidence is necessary for there to be productive work by thousands of Federal employees at the site. Under those specific circumstances, I believed there was an urgent need to get the facts – and the truth – out to the public. I believe GSA then had a compelling need for outside communications expertise.

The Limited-Duration Task Order Placed with JMA

In consultation with the Environmental Protection Agency, GSA decided to meet this urgent need through a limited source acquisition of a communications expert from holders of Multiple Award Schedule contracts. GSA selected JMA, a highly reputable communications firm, which specializes in crisis management and communication. JMA was a local firm, knowledgeable of crisis management, experienced at digesting, evaluating, and translating technical data, and had worked with a broad spectrum of

government agencies. Additionally, JMA had knowledge, skills and abilities appropriate to address the issues facing the Region related to the Bannister Complex.

The firestorm of events in late January and early February 2010, coupled with our limited staff's lack of crisis management expertise, compelled the agency to seek expert communication services. GSA reasonably determined that an urgent and compelling need existed and that following the usual Supply Schedule ordering procedures would have resulted in unacceptable delays in addressing these concerns and the rapidly deteriorating public and employee confidence in the Complex. Fortunately, the Federal Acquisition Regulation (FAR) anticipates such needs and provides a perfectly legal procurement provision for such compelling situations. FAR 8.405-6 permits the use of "limited source justification" as an exception to competitive procedures when justified by an urgent and compelling need. This is the critical point in our discussion of the JMA task order award, and the February 16 GSA Office of Inspector General (IG) memorandum may have created confusion regarding this issue. This memorandum and my following response both incorrectly cited or referenced FAR 6.302-2. On February 18, the IG issued an updated memorandum, correcting the citation.

In fact, FAR 8.405-6 was the basis for the contracting officer preparing a limited source justification. This action was entirely appropriate and in accordance with applicable regulation. GSA prepared an "urgent and compelling" justification, which was signed by the contracting officer on February 4, 2010. Known as a "Limited Source Justification and Approval," GSA believed it was necessary to bring JMA on board immediately, because the concerns of employees and tenants were severe enough to impair their ability to work as usual. Additionally, GSA needed to communicate quickly to prevent irreparable damage to the viability of the Bannister Federal Complex and to counter misperceptions of unsafe working conditions in the offices and the Child Care Center. Therefore, a task order was issued and JMA began their work.

As I mentioned, JMA, a local small business, holds a Federal Supply Schedule contract, specifically, a contract under the Advertising and Integrated Marketing Solutions Schedule.¹ Before a vendor can be awarded a Schedule contract, its offered prices must be determined to be fair and reasonable, after GSA reviews the prices it charges similarly-situated commercial customers. In this instance, although not required to do so, GSA conducted a comparison of the prices from three vendors including JMA. Based on this price comparison, JMA had the lowest cumulative rates for the project, and the required labor mix to accomplish the work successfully. The prices were fair and reasonable. Based on this information, GSA determined JMA was the best vendor to meet our needs, and we opted to use a firm-fixed-price contract to accomplish the needed tasks.

In the memorandum dated February 18, the IG suggested that a modification to the task order (which extended its one month duration by two additional months) changed the

¹ JMA holds a contract under the Advertising and Integrated Marketing Solutions Schedule 541, SIN 541-2: Public Relations Services

contract type from firm-fixed-price to a "time and material type" contract because we requested an hourly breakdown.

It is GSA's opinion that the contracting officer did not convert the firm-fixed-price order to a time and materials order, and this is confirmed by the order itself. If the contracting officer had intended to convert this into a time and materials order, she would not have requested a lump sum price from JMA, as she did. She would have included the applicable time and material clauses and prepared a determination and findings document. Specifically, both the original contract and the modification demonstrate that this was a firm-fixed-price order. The hourly rate, which is a source of the IG's misunderstanding, was requested by the contracting officer for informational purposes in case the agency decided to terminate the order before the two-month modification period expired, as is allowed by the modification. Additionally, in an effort to be a good steward of government funds, GSA reviewed the hours.

Although the order file itself does not contain documentation of JMA's work products, GSA did receive verbal assistance and written products during the course of the task order and those deliverables were used and leveraged by the GSA communication team and senior leadership. As a result of the IG bringing this oversight to our attention, GSA has now incorporated copies of all the deliverables into the task order file and has already taken steps to educate our acquisition teams for future contracting actions.

The Scope of Work Performed

Because of the urgency of the situation and the growing intensity of public and employee concerns in early 2010, GSA expeditiously awarded the task order and began working with JMA. Together, we developed a communications and contingency plan for an alternate site for the Child Care Center; discussed the results of environmental testing; and launched expanded communication and community outreach efforts. GSA maintained its role as spokesperson and directly oversaw all messaging, communications, and outreach efforts. By the end of February, significant progress had been made. Facts were now displacing earlier misperceptions. Tenants and employees began to understand the true nature of past and present environmental conditions. But more work needed to be done.

Due to the continuing high volume of inquiries from the media, current and former employees, various Federal agencies, and the public, GSA extended the services under the original agreement with JMA for an additional two months. In addition to handling these inquiries, the scope of work with JMA for these two months aimed at phasing out JMA's services and transferring expertise to GSA, honing the crisis management skills of GSA employees so that future communications, strategic planning, and leadership counseling related to the Bannister Federal Complex could be undertaken in-house.

JMA performed the following work related to the Bannister Federal Complex:

- Provided counsel to senior PBS leadership to determine the best next steps to address the concerns of the various stakeholders
- Provided extensive communications facilitation and mediation among EPA, GSA, and DOE
- Performed extensive research on the 68-year history of the Complex, the potential health implications of exposure to the contaminants, (polychlorinated biphenyls, trichloroethylene, uranium, beryllium), and the Federal and local environmental rules applicable to the facility
- Assisted in developing the skills and knowledge of in-house staff in preparation for taking on the crisis communications role
- Provided consultation and identification of GSA resources for ongoing risk communication and management, helped build the framework for a community panel and interagency leadership panel, and provided support to GSA in planning and implementing communications outreach strategy.

The Results Are Positive

The Bannister Federal Complex has been and continues to be a healthy place to work. At GSA's request, the National Institute for Occupational Safety and Health (NIOSH) conducted a health hazard evaluation at the GSA location and did not find any cases of chronic beryllium disease resulting from people working on the GSA-controlled side of the complex. NIOSH also performed an extensive review of our environmental testing history and current work plan. Based on results from past and current testing, NIOSH does not recommend additional testing. At this time, based on the results of the testing over the past two decades, there is no reason to believe the GSA-controlled space in the Bannister Federal Complex poses health risks to workers, visitors, or children at the Child Care Center.

The three months of services provided by JMA assisted GSA during a complex time of heightened employee and public concern. The situation at the Bannister Federal Complex was unique and gave rise to a compelling need for specialized expertise which JMA was able to provide. This engagement was a short-term, stop-gap measure, limited in scope and lasting only a few months. It was ended as soon as possible. With JMA's assistance, GSA was able to effectively and timely communicate information to tenants and the public to help calm fears and dispel misperceptions.

Conclusion

GSA Heartland Region appreciates the opportunity to come here today to testify on GSA's decision to acquire crisis and environmental communications expertise. Our goal always has been and will continue to be ensuring the safety of those working at and visiting the Bannister Federal Complex. We continue to partner with EPA to execute our environmental work plan to identify if further action is necessary. We also

continue our work with NIOSH to address health concerns. And we will maintain our proactive communication outreach – for our tenants, employees and our community.

Madam Chair, Ranking Member Portman, and members of this Subcommittee, this concludes my statement. I will be pleased to answer any questions you may have.

MEMORANDUM
February 28, 2011

To: Subcommittee on Contracting Oversight Members and Staff
Fr: Subcommittee Majority Staff
Re: New Information about Public Relations Contracts Awarded to Jane Mobley Associates, Inc.

On Tuesday, March 1, 2011, the Subcommittee on Contracting Oversight will hold a hearing entitled, "Examination of Public Relations Contracts at the General Services Administration's Heartland Region."

The purpose of the hearing is to examine contracts for public relations services at the General Services Administration (GSA) and other federal agencies. In particular, the hearing will review findings from the GSA Office of Inspector General's February 19, 2011 audit memorandum regarding contracts valued at over \$234,000 that were awarded to Jane Mobley Associates, Inc. to assist GSA with responding to media and government agency investigations related to environmental and health concerns at the Bannister Federal Complex, located in Kansas City, Missouri.

This memorandum provides new information regarding the Jane Mobley contract.

I. BACKGROUND

The Bannister Federal Complex (Bannister) comprises more than 14 buildings spread over 310 acres. Ownership and management of Bannister is divided between GSA and the Department of Energy's National Nuclear Security Administration (NNSA), which is responsible for the Kansas City Plant, a facility used to produce nonnuclear electrical and mechanical weapons components for nuclear weapons since 1949. In addition to GSA and NNSA, Bannister houses federal agencies including the Department of Agriculture, the Department of Commerce, the Department of Veterans Affairs, the Marine Corps, and FEMA. In total, more than 2,000 federal employees and 2,300 contractors work at Bannister.¹

¹ The Kansas City Plant was built in 1942 to manufacture airplane engines for the U.S. Navy. Control of the plant was transferred from the Navy to the Atomic Energy Commission in 1949 and to the newly-created Department of Energy in 1977. Today, the Kansas City Plant is managed and operated by the contractor Honeywell on behalf of NNSA. See Bannister Federal Complex Legacy Contamination Clarification (online at <http://www.gsa.gov/graphics/regions/BannisterLegacy.pdf>) (accessed Feb. 27, 2011); General Services Administration, Bannister Complex Information GSA Controlled Space (Feb. 5, 2011); Bannister Federal Complex (online at <http://www.gsa.gov/portal/content/101396>) (accessed Feb. 17, 2011).

From the 1940s to the 1960s, portions of Bannister were used as a dumping ground for waste from the Kansas City Plant, resulting in extensive soil and groundwater contamination. Additional contamination, including release of the toxic chemical polychlorinated biphenyl (PCB), a man-made chemical which was banned from U.S. manufacturing in 1979, continued through the early 1970s.²

Over the last two decades, the federal government has worked steadily to address the environmental and health hazards caused by decades of contamination. The Department of Energy closed contaminated lagoons around the Kansas City Plant in 1988 and removed 40,000 tons of contaminated soil from Bannister.³ In 1989, GSA instituted a health and safety environmental control program at Bannister that includes annual health and safety inspections. Additional testing has been done by the National Institute for Occupational Safety and Health (NIOSH) and the Missouri Department of Natural Resources (MDNR). Since January 2010, the Environmental Protection Agency (EPA) has coordinated testing and environmental oversight at Bannister.⁴

In November 2010, the GSA Inspector General released a report finding that GSA's Public Buildings Service (PBS), which was responsible for managing the property, had failed to adequately address environmental concerns at Bannister. The Inspector General found that PBS officials did not understand their environmental responsibilities, including annual reporting requirements under existing law, and that the lack of a strong environmental program contributed to PBS' difficulties in addressing the concerns of Bannister employees and the public. The Inspector General concluded that, when faced with evidence of potential hazards at Bannister, PBS failed to take adequate measures to protect the health and safety of Bannister employees.⁵

² Department of Energy Office of Inspector General, *Environment and Worker Safety Control Systems at the National Nuclear Security Administration's Kansas City Plant* (Sept. 20, 2010) (DOE/IG-0839); Environmental Protection Agency, Polychlorinated Biphenyl Basic Information, (online at <http://www.epa.gov/epawaste/hazard/tsd/pcbs/pubs/about.htm>) (accessed Feb. 24, 2011).

³ Department of Energy Office of Inspector General, *Environment and Worker Safety Control Systems at the National Nuclear Security Administration's Kansas City Plant* (Sept. 20, 2010) (DOE/IG-0839); Today, the Department of Energy has a worker safety and health program and has established controls for monitoring compliance with State and Federal regulations. The Department now tests approximately 70 industrial wastewater samples from the Kansas City Plant per year. *Id.*

⁴ General Services Administration Office of Inspector General, *Review of Health and Safety Conditions at the Bannister Federal Complex Kansas City, Missouri* (Nov. 8, 2010) (Report No. A100116/P/6/R11001); Bannister Federal Complex Legacy Contamination Clarification (online at <http://www.gsa.gov/graphics/regions/BannisterLegacy.pdf>) (accessed Feb. 24, 2011).

⁵ The Inspector General's investigation was originally requested by Senator Christopher Bond on February 3, 2010. General Services Administration Office of Inspector General,

The Inspector General's report acknowledges that there has been no conclusive determination of any current health hazards at Bannister by the various agencies responsible for testing. In addition, the Inspector General reviewed over 4,000 worker compensation claims filed at Bannister between 1988 and April 2010 and found that of the 75 accepted claims that could possibly be attributed to environmental or chemical exposure, "[n]one of the 75 claims were related to long term exposure to toxic substances." In the past ten years, 124 separate environmental tests and analyses have been conducted at Bannister.⁶

II. NEW INFORMATION ABOUT PUBLIC RELATIONS CONTRACTS AWARDED TO JANE MOBLEY ASSOCIATES, INC.

Beginning in November 2009, a series of local news reports raised questions about current environmental conditions at Bannister. According to the reports, employees at Bannister were experiencing health problems similar to those suffered by workers at the Kansas City Plant. One former Bannister employee stated that she had a list of over 180 fellow co-workers who had become ill, died, or received a cancer diagnosis.⁷

According to GSA's Regional Commissioner, Mary A. Ruwwe, by January 2010, the alarm about environmental conditions at Bannister had reached "crisis" levels.⁸ To address these concerns, on February 5, 2010, GSA awarded a contract to Jane Mobley Associates, Inc. (JMA), a small, woman-owned business located in Kansas City, Missouri. In total, GSA paid JMA over \$234,000 for three months worth of work.

At the request of Chairman McCaskill, the Subcommittee initiated an investigation into the award, management, and performance of the JMA contracts. In the course of the investigation, the Subcommittee has received information and approximately 1,500 pages of documents from GSA, the GSA Office of Inspector General, and whistleblowers. Subcommittee staff have also conducted multiple meetings with GSA officials and the Office of Inspector General.

These documents and information show that the JMA contracts had multiple problems, including GSA's failure to adequately plan for and compete the JMA contract or control contractor costs. The JMA contract also experienced significant problems with management

Review of Health and Safety Conditions at the Bannister Federal Complex Kansas City, Missouri (Nov. 8, 2010) (Report No. A100116/P/6/R11001).

⁶ General Services Administration Office of Inspector General, *Review of Health and Safety Conditions at the Bannister Federal Complex Kansas City, Missouri* (Nov. 8, 2010) (Report No. A100116/P/6/R11001).

⁷ *Workers' Health Mysteries Unresolved*, NBC Action News (Nov. 19, 2009) (online at http://www.nbcactionnews.com/dpp/news/local_news/investigations/Workers%27-Health-Mysteries-Unresolved) (accessed Feb. 24, 2011).

⁸ General Services Administration, *Briefing for Subcommittee Staff* (Feb. 14, 2011).

and oversight. From before the contract was awarded through its extension, GSA repeatedly failed to exercise reasonable diligence to protect taxpayer dollars.

A. Lack of Planning and Competition

On February 4, 2010, Mary Ruwwe, the Regional Commissioner for GSA's Public Building Service in Kansas City, instructed a GSA contracting officer to award a \$99,940 task order to JMA using JMA's existing contract on GSA's Multiple Award Schedule.⁹ The contract was awarded one day later, on February 5.¹⁰ GSA justified the lack of competition because of the "unusual and compelling urgency" of the agency's requirement.¹¹ The agency explained:

GSA has been faced with a media probe and reports of multiple Government agency investigations into potential health risks in the GSA controlled Bannister Federal Complex. These reports and investigations have created an impending crisis event for the Government to address citizen concerns and media reports. It is imperative that a neutral 3rd party expert be procured to assist the Government in addressing the issues as they arise from environmental and related concerns to ensure and maintain continued public trust.¹²

According to GSA officials, the urgency was created by a significant increase in the number of media stories related to health problems at Bannister in January and early February 2010. The stories also drove a significant increase in the concerns expressed by current and former employees, which created a very "intense" environment.¹³

These circumstances do not appear to meet the legal standard for an "unusual and compelling urgency" which would justify limiting competition. Under the Federal Acquisition Regulation (FAR), "unusual and compelling urgency" refers to circumstances in which the government would be "seriously injured" unless the government is allowed to limit competition. According to the GSA Inspector General, however, GSA was unable to demonstrate how the government would have been seriously injured had the contract been opened to competition.¹⁴

⁹ General Services Administration Office of Inspector General, *Interview of [Contracting Official]* (Dec. 7, 2010).

¹⁰ General Services Administration, *Requisition/Procurement Request for Equipment, Supplies or Services 6PMC-10-0031* (Feb. 5, 2010).

¹¹ General Services Administration, *Limited Sources Justification and Approval for Environmental Communications Specialist Consulting Services* (Feb. 4, 2010).

¹² General Services Administration, *Limited Sources Justification and Approval for Environmental Communications Specialist Consulting Services* (Feb. 4, 2010).

¹³ General Services Administration, *Briefing for Subcommittee Staff* (Feb. 14, 2011).

¹⁴ General Services Administration Office of Inspector General, *Audit Memorandum: Task Order for Environmental Communications Services at the Bannister Federal Complex* (Feb. 18, 2011).

In addition, media stories regarding health and safety concerns at the complex had been appearing regularly for several months prior to the award of the contract.¹⁵ According to Robert Peck, the PBS Commissioner, GSA officials had repeatedly discussed the need for effective communications at Bannister for at least six months prior to the award of the JMA contract and the Kansas City GSA staff had been told to seek outside expertise in crisis communication for several months.¹⁶

GSA also stated that the contract award was necessary because GSA “lacked the capacity to handle the complexity” of the agency’s communications relating to Bannister. In a letter to the Subcommittee, Martha Johnson, GSA Administrator, stated:

In sum our decision to retain JMA was based on our need to effectively address questions regarding potential health issues at the Bannister Federal Complex. We take this responsibility seriously and our decision to retain JMA was indicative of our desire to leverage the resources necessary to address the situation appropriately.¹⁷

However, information provided to the Subcommittee shows that GSA appears to have had sufficient full-time staff in the region and in D.C. whose positions directly relate to public affairs and communications to adequately address the concerns related to Bannister. At the time of the contract award, GSA had approximately 24 individuals who were responsible for public affairs for the agency, 11 of whom were assigned to the regions (one per region).

According to GSA officials, the “general practice” is that only individuals at a GS-13 level or higher are allowed to handle media inquiries. Based on the information provided to the Subcommittee, GSA had 8 individuals, including the individual responsible for the Kansas City Region, who were at a GS-13 level or higher at the time of the JMA contract award. Among these were 3 GS-14s and one GS-15 with a combined 90 years of federal service and an average annual salary of \$128,000.¹⁸

B. Contract Extension

¹⁵ See, e.g., *Workers’ Health Mysteries Unresolved*, NBC Action News (Nov. 19, 2009) (online at http://www.nbcactionnews.com/dpp/news/local_news/investigations/Workers%27-Health-Mysteries-Unresolved) (accessed Feb. 24, 2011); *Federal Complex Investigation Includes Day Care* (Jan. 27, 2010) (online at http://www.nbcactionnews.com/dpp/news/local_news/investigations/Federal-Complex-Investigation-Includes-Day-Care) (accessed Feb. 24, 2011).

¹⁶ General Services Administration Office of Inspector General, *Interview of Robert Peck* (Feb. 9, 2011).

¹⁷ Letter from Martha Johnson, Administrator, General Services Administration to Subcommittee Chairman Claire McCaskill (Jan. 24, 2011).

¹⁸ General Services Administration, *Public Affairs Staffing Explanation* (Feb. 25, 2011).

In early March 2010, GSA modified the JMA task order to extend it for two months at a cost of \$134,400. In addition to continuing to work on communications relating to the environmental and health issues at Bannister, JMA would also “introduce new Regional Administrator to external audiences ... [and] provide communications support to transition Jason Klumb, new Regional Administrator, using activities that emphasize his regional/national reach and role to represent GSA among political/civic/business leaders.”¹⁹

The extension was awarded despite the concerns of Jason Klumb, GSA’s newly-appointed Regional Administrator, who at the time of the extension was travelling in Korea. On March 6, 2010, in an e-mail to Ms. Ruwwe, Mr. Klumb stated:

The cost is very high. ... At this point, I would recommend that the contract not be extended, and that we rely on the experience and expertise of GSA professionals. Please advise.²⁰

Ms. Ruwwe dismissed Mr. Klumb’s concerns. On March 7, Ms. Ruwwe responded:

The work they’ve done equates to approx \$125/hour which is low considering we have the owner of the company putting in a lot of time. ... If I had staff with jma expertise and experience, I’d be happy to let jma go. ... The new contract will be month to month and should cost less ... unless we run into some unknowns.”²¹

On March 8, the GSA contracting official sent the contract extension to Jane Mobley for signature. Ms. Mobley promptly forwarded the extension document to a JMA colleague and urged her to get the contract signed, saying: “Pls get Jenny and execute asap:-) before it’s wakeup time in Korea.”²²

C. Failure to Control Contract Costs

The documents and information provided to the Subcommittee suggest that GSA failed to take appropriate steps to ensure that the prices paid to JMA were fair and reasonable. As a result, the government may have spent far more than was necessary.

¹⁹ E-mail from [Contracting Official], General Services Administration, to Jane Mobley attaching Amendment of Solicitation/Modification of Contract (March 8, 2010).

²⁰ E-mail from Jason Klumb, Regional Administrator (Heartland Region), General Services Administration, to Mary Ruwwe, Regional Commissioner (Heartland Region), Public Buildings Service, General Services Administration (March 6, 2010).

²¹ E-mail from Mary Ruwwe, Regional Commissioner (Heartland Region), Public Buildings Service, General Services Administration to Jason Klumb, Regional Administrator (Heartland Region), General Services Administration (March 6, 2010).

²² E-mail from [Contracting Official], General Services Administration to Jane Mobley attaching Modification and Technical Communications Services Statement of Work (March 8, 2010); E-mail from Jane Mobley to Kelly [Withheld] (March 8, 2010).

GSA did not conduct an independent government estimate of the costs to perform the task order. Instead, GSA's determination that the price of the \$99,940 task order awarded on February 5, 2010 was reasonable was based on two factors, neither of which is persuasive.

First, GSA compared JMA's hourly rates to the rates of two other vendors in GSA's Multiple Awards Schedules program. Because the average rate of all the JMA employees who would work on the contract was lower than the averages of the other vendors, GSA officials concluded that JMA's price was reasonable. However, the labor hours provided by JMA were not linked to specific tasks or deliverables in the contract, meaning that GSA could not appropriately compare the overall costs to complete the contract. In fact, as it turns out, much of the work in the JMA contract was completed by the principal of the company, Jane Mobley, whose rate of \$270.41 per hour was more costly than the rate of the principal of one of the comparison vendors.²³

Second, at Ms. Ruwwe's request, Rich Hood, the Associate Regional Administrator for Media & Intergovernmental Relations for EPA in the region, reviewed the proposal. Mr. Hood responded that the proposal's pricing was "not unreasonable for the quality I expect to see from this group."²⁴ However, the contract file does not contain any information regarding Mr. Hood's qualifications to make this determination.

GSA also failed to determine whether the price of the March 8, 2010 contract extension was reasonable. Although GSA officials conducted an independent estimate of how much the contract should cost, the estimate was based on the number of hours and the prices that JMA had worked during the previous month, rather than the costs of the tasks and deliverables that JMA was expected to provide. And, although the government's estimate found that the anticipated costs of the JMA extension would be more than \$1,000 less than the price proposed by JMA, GSA failed to negotiate a lower price from the company. Instead, the higher price proposed by JMA was deemed to be reasonable because it was within 10% of the government's estimate.²⁵

D. Failure to Adequately Evaluate JMA

In January 2011, GSA Administrator Martha Johnson defended the agency's selection of JMA to provide public relations services at Bannister. Ms. Johnson stated:

²³ General Services Administration, *Pricing Memorandum: Environmental Communications Specialist Consulting Services* (Feb. 5, 2010).

²⁴ E-mail from Mary Ruwwe, Regional Commissioner (Heartland Region), Public Buildings Service, General Services Administration to Rich Hood, Associate Regional Administrator for Media & Intergovernmental Relations, Region 7, Environmental Protection Agency (Feb. 5, 2010); E-mail from Rich Hood to Mary Ruwwe (Feb. 5, 2010).

²⁵ E-mail from [Pricing Official], General Services Administration, to [Senior Contracting Official] and [Contracting Official], General Services Administration (March 5, 2010); General Services Administration, *Pricing Memorandum: Environmental Communications Consultant Services* (March 8, 2010).

JMA's past experience dealing with crisis management, working with EPA, translating technical data and experience working across a broad spectrum and levels of government, along with their knowledge of the local community uniquely qualified them as the firm best situated to provide the skills and capacity needed to respond to this crisis in a timely and effective manner.²⁶

Documents and information provided to the Subcommittee raise questions about GSA's evaluation of JMA's qualifications. The information provided to the Subcommittee by GSA shows no prior contract awards by EPA to JMA and the Subcommittee has not been able to independently identify any record that JMA provided services to EPA. Rich Hood, the EPA official who originally suggested that GSA work with JMA, has stated that his familiarity with JMA was based on the company's reputation rather than any previous contract.²⁷

In addition, there were other companies in Missouri who appear qualified to provide these services. GSA's Multiple Awards Schedules program for public relations services includes at least two other vendors based in Missouri and at least one national vendor with an office in Kansas City.²⁸ Prior to the award of the contract, JMA officials themselves questioned whether the company was "uniquely qualified" to perform this work for GSA. In an e-mail discussing the various ways GSA could award the contract quickly, Jane Mobley stated, "[t]hey could Sole Source but it would really be arguable that no one else could do this but us."²⁹

E. Failure to Define the Statement of Work

On February 3, 2010, after consultation with Robert Peck, the Commissioner of GSA's Public Building Service, and other senior GSA officials in Washington, GSA officials reached out to Rich Hood, the Associate Regional Administrator for Media & Intergovernmental Relations for EPA to request assistance with a contract for public relations services.³⁰ According to GSA officials, Mr. Hood was responsible for putting together the scope of the work for the contract for GSA due to his experience and knowledge of the type of work that would be required.³¹

²⁶ Letter from Martha Johnson, Administrator, General Services Administration to Subcommittee Chairman Claire McCaskill (Jan. 24, 2011).

²⁷ General Services Administration Office of Inspector General, *Briefing for Subcommittee Staff* (Feb. 23, 2010).

²⁸ General Services Administration, *Schedule Details: Advertising & Integrated Marketing Solutions, Public Relations Services* (accessed Feb. 26, 2011).

²⁹ E-mail from Jane Mobley to Kelly [Withheld] (Feb. 4, 2010).

³⁰ E-mail from Cathleen Kronopolus, Assistant Administrator, General Services Administration to Robert Peck, Commissioner, Public Buildings Service, General Services Administration *et al.* (Feb. 3, 2010).

³¹ General Services Administration, *Briefing for Subcommittee Staff* (Feb. 14, 2011).

The information and documents produced to the Subcommittee show that JMA, not Mr. Hood, was primarily responsible for drafting the Statement of Work for the February 5, 2010 task order. Early on February 4, 2010, Jane Mobley asked one of her employees to prepare a Statement of Work for the contract. Ms. Mobley stated:

Rich needs a Statement of Work for what needs to be done – although they don't really know, so it needs to be general enough to fit in every thing [sic] we could find under every rock we turn over ... He was hoping we had or would know where to find a "boiler plate" SOW so they could write a contract right away. Yeah right."³²

Later that morning, Mr. Hood informed Ms. Mobley that he was "trying to locate a scope or statement of work generic off the shelf, but it is very slow going."³³ In response, Ms. Mobley stated: "Don't look too hard. We can send one."³⁴

Shortly thereafter, Ms. Mobley sent a Statement of Work to Mr. Hood. The final statement of work incorporates only two changes from the version provided by JMA. The first is the insertion of Mr. Hood's name as the "Technical P.O.C." for the contract. The second is a change to the first task, from the proposed "Relocation of the Bannister Federal Complex Day Care Center" to "Potential Relocation of the Bannister Federal Complex Day Care Center due to Media Generated Concerns or Recommendations."³⁵ According to Ms. Ruwwe, these changes were made at the request of GSA.³⁶

The GSA Office of Inspector General recently found that the Statement of Work for the task order was not sufficiently detailed to enable the Inspector General to determine what specific work was purchased or how the work was to be evaluated. The Office of Inspector General also noted that GSA failed to adequately document and support the Statement of Work in the task order file.³⁷

³² E-mail from Jane Mobley to Kelly [Withheld] (Feb. 4, 2010).

³³ E-mail from Rich Hood, Associate Regional Administrator for Media & Intergovernmental Relations, Region 7, Environmental Protection Agency to Jane Mobley (Feb. 4, 2010).

³⁴ E-mail from Jane Mobley to Rich Hood, Associate Regional Administrator for Media & Intergovernmental Relations, Region 7, Environmental Protection Agency (Feb. 4, 2010).

³⁵ General Services Administration, *Contract File for JMA Contract: Tab 1*; E-mail from Jane Mobley to Rich Hood, Associate Regional Administrator for Media & Intergovernmental Relations, Region 7, Environmental Protection Agency, attaching Statement of Work (Feb. 4, 2010).

³⁶ General Services Administration, *Briefing for Subcommittee Staff* (Feb. 14, 2011).

³⁷ General Services Administration Office of Inspector General, *Audit Memorandum: Task Order for Environmental Communications Services at the Bannister Federal Complex* (Feb. 18, 2011).

**Post-Hearing Questions for the Record
Submitted to
Mr. Brian Miller
From Senator McCaskill**

**“EXAMINATION OF PUBLIC RELATIONS CONTRACTS AT THE GENERAL
SERVICES ADMINISTRATION’S HEARTLAND REGION”**

**Tuesday, March 1, 2011, 10:00 A.M.
United States Senate, Subcommittee on Contracting Oversight,
Committee on Homeland Security and Governmental Affairs**

- 1) At the hearing, you were asked to describe problems your office identified in the award, definition of “deliverables,” and extension of the February 5, 2010 media and public relations services contract awarded by the General Services Administration (GSA) to Jane Mobley Associates, Inc. (JMA).
- Q: Based on the testimony provided by GSA during the hearing, do you have any additional concerns regarding GSA’s management, administration, and oversight of the JMA contract?

Inspector General Brian Miller's Supplemental Statement**In Response to:****"Examination of Public Relations at the
General Services Administration's Heartland Region"****Post-Hearing Questions for the Record****March 1, 2011**

We are responding to the question of whether we had any additional concerns, based on the General Services Administration's (GSA) testimony at the hearing, regarding GSA's management, administration, and oversight of the Jane Mobley Associates (JMA) contract. As explained below, the position as we stated in our testimony has not changed. GSA awarded a sole source task order without justifying why it did not consider other vendors; the scope of work was not adequately defined or priced; there were no specific measurable deliverables; and the contract extension was not justified. Below we state our position, respond to several of the statements made by GSA officials at the hearing, and provide further information.

Issue 1 - Urgent and Compelling Need/Limited Source Justification

Our interim audit memorandum (dated February 18, 2011) stated the JMA contract was directed to a single vendor "without adequate justification of limiting competition." Moreover, regional management had begun (but did not pursue) work on a competitive procurement just three days prior to the non-competitive contract award. In her written testimony, the Public Buildings Service (PBS) Regional Commissioner stated that certain events along with a surge in media attention created a "pressure cooker" environment. She went on to say that she "believed there was an urgent need to get the facts - and the truth - out to the public. I believe GSA then had a compelling need for outside communications expertise."

Federal Acquisition Regulation (FAR) 8.405-6 allows for limiting sources when "[a]n urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays." Below we provide additional information on two issues raised by the Regional

Commissioner to support the GSA assertion that there was a need to award the contract in an expedited manner without competition: a protest at the child care center and lack of in-house staff. We also will discuss the fact that at the hearing GSA did not provide any specific basis to show how the FAR standard of an unacceptable delay was met.

Protest at the Child Care Facility. The Regional Commissioner stated, “Over the course of seven days, multiple events pushed us beyond our in-house communication capabilities.” To support this statement, the Regional Commissioner gave the following example: “A protest was staged outside our Child Care Center Facility, featuring provocative signs and fear-inducing allegations.”

The referenced incident consisted of two “older” individuals handing out leaflets on January 27, 2010. The event lasted approximately 10 minutes. The people did not have signs and the only “fear-inducing allegation” was made to a PBS employee who asked the people to leave because they did not have a permit. This matter was addressed the next day by a PBS employee that went to the child care center to distribute information prepared by the public affairs office and answer questions. There was no further activity on this event and there were no other protests at the child care center. A Federal Protective Service (FPS) Report (see Appendix A) was filed and did not mention signs or harassment. We interviewed PBS and child care center personnel regarding this incident. These interviews confirmed that there were no signs or harassment. However, the people we interviewed did not have any documentation of the event because they did not consider it significant.

Lack of In-house Public Affairs Staff. The Regional Commissioner’s written statement noted that during an undefined time period in late 2009, “information requests began to increase to two or three inquires per week. During this time, GSA’s single in-house communication staff handled this communication and outreach.” PBS’s oral testimony included, “. . . the single in-house communications staffer handled this outreach.”

The Heartland Region PBS has a Communications and Public Affairs Branch that included 15 people in December 2009. (See Appendix B). This staff included: one Branch Chief, two Business Development Specialists, one Lead Communications Specialist, one Lead IT Project Manager, four Communications Specialists, three Program Analysts, two IT Specialists, and one Web Developer. Four of these staff were contractor employees. One of the Business

Development Specialists was informally designated as the public affairs officer (PAO) for the region and was handling the Bannister Federal Complex issues.

The position descriptions (PDs) and performance plans for the communications and public relations personnel showed that the PDs included requirements for outreach to management, customers, Congress, and the media. The following are examples of responsibilities included in the position descriptions. (See Appendix C).

Business Development Specialist

- Develops presentations and programs to brief high-level PBS customers and members of Congress, high level agency officials, private sector executives and news media on the functions, programs, services provided by The Heartland Region Public Buildings Service.
- Where advantageous to the taxpayer, serves as Contracting Officer's Technical Representative (COTR) for managing the delivery of Marketing deliverables which include (but are not limited to) event management, mass mailings, targeted marketing strategies, studies, management presentations, publication preparation and publishing, and other promotional materials.

Communications Specialist

- Serve as a central researcher, writer, editor, proofreader, and production coordinator for a variety of multi-media communications deliverables. Identifies appropriate subject matter experts, interviews for key message ideas and "translates" trade-specific information into clear, concise expressions for the targeted audience/client base. Specifically, projects require the employee to develop proposals for communication – defining audiences and messages, organizing thoughts, selecting media (e.g. brochures, CD-ROM, booklets, video, PowerPoint presentations, etc.), creating distribution methods, and providing creative expertise for supporting materials.

Unacceptable Delay Basis. The standard for using FAR 8.405-6 (urgent and compelling) as a basis for non-competitively awarding a contract is that a competitive process would result in an unacceptable delay. As identified in our interim audit memorandum, the JMA task order file contained no information regarding unacceptable delays. In addition, much of the JMA work was directed toward areas such as research of the Bannister Complex, briefing packages for Congressional parties and the new Regional Commissioner, and efforts addressing a downtown federal building. At the March hearing, the Agency did not provide any specific information regarding how this standard was met. While the Regional Commissioner made statements to the

effect that delays would have resulted if typical ordering procedures were followed, GSA did not identify how long a competitive procedure would have taken or define what constituted an unacceptable delay. However, PBS personnel recently produced¹ a February 1, 2010 email between the branch chief for the regional PBS contract services group and five staff members that indicated a competitive procurement was contemplated. In the email he states,

I had [the contracting officer] downloaded a listing of firms that are on schedule who perform PR work....There are 3 firms in Missouri....Please review the listing to see if there are 3-4 firms you are interested in soliciting....From our end, once we receive the scope we will issue the scope of work to the vendors and move quickly to get a firm under contract.

Issue 2 - Contract Requirements

Our interim audit memorandum stated it was not possible to determine from the task order file what specific work was purchased or how the task order was to be evaluated, and that the task order file contained only general descriptions of tasks and deliverables. Our report also stated there were indications that JMA drafted the statement of work (SOW).

In both oral and written testimony, GSA made statements regarding the type of work required and how the contractor filled these needs. In the Regional Commissioner's written statement she said, "The situation at the Bannister Federal Complex was unique and gave rise to a compelling need for specialized expertise which JMA was able to provide. This engagement was a short-term, stop-gap measure, limited in scope and lasting only a few months. It was ended as soon as possible." Below we address GSA's statements related to measurable deliverables, creation of the SOW, the existence of a blanket purchase agreement (BPA) awarded at the conclusion of the contract, and JMA's technical qualifications and work product.

Measurable Deliverables. In our audit memorandum we explained that FAR Part 37.6 requires that all performance based awards "[e]nable assessment of work performance against measurable performance standards," but the JMA contract did not have the required measurable deliverables. In their testimony, agency officials provided a listing of the work performed by JMA, including references to a communications plan, discussions of test results in reports commissioned by the

¹ Provided to the OIG on April 19, 2011.

EPA and National Institute for Occupational Safety and Health, and a contingency plan for the relocation of the child care center. However, GSA did not address why the task order did not include measurable deliverables. The PBS Commissioner's response when asked about the lack of defined, measurable deliverables was, "I do not think we had no deliverables. In hindsight, I wish that deliverables probably could have been more specific."

JMA prepared the SOW. The lack of deliverables in the SOW is particularly important in light of the fact that the contractor wrote the SOW. The Agency maintained, until later in the hearing, that the contractor did not provide the SOW. In her opening statement, the Administrator stated, "Relying on EPA's superior experience with environmental crisis management and communications, GSA sought guidance on framing the statement of work from EPA. EPA appropriately provided the required assistance and GSA then negotiated a final statement of work with Jane Mobley Associates."

However, GSA did more than seek guidance from EPA; it asked EPA to provide a SOW for the contract. EPA, in turn, obtained the SOW from the contractor. In an internal JMA email dated February 4, 2010, Jane Mobley states, "[An EPA employee] needs a Statement of Work for what needs to be done -although they don't really know, so it needs to be general enough to fit in everything we could find under every rock we turn over. They are calling it Risk Communication although they are clearly in full tilt crisis already. He was hoping we had or would know where to find a 'boiler plate' SOW so they could write a contract right away."

Upon questioning by Senator McCaskill, the Administrator acknowledged that GSA recently learned that the statement of work was, in fact, prepared by JMA. The Administrator stated, "The Statement of Work was given to us by EPA at our request. We asked EPA to help us with this, because EPA is quite knowledgeable and experienced in communications work with the public around technical and scientific issues. They provided us with the Statement of Work. We did not understand until very recently that it was composed by JMA."

Both the PBS Commissioner and the Administrator admitted in their oral statements that GSA should have prepared the SOW for the task order. The statement of work provided by JMA was accepted and used by GSA, in contrast to the Administrator's statement that it was negotiated. Additionally, in an interview with us, the referenced EPA official advised us that his experience was in public relations and he believed GSA was the expert in contracting.

JMA Blanket Purchase Agreement. In addition to the Regional Commissioner's statement that the contract was to be of short duration, the Administrator stated that adding two months added to the JMA task order was "to serve as a transition period, during which GSA would assume and manage these responsibilities in-house." However, PBS awarded JMA a Blanket Purchase Agreement (BPA) for communications services. The BPA award process was initiated during April 2010 (during the additional two months added to JMA's task order) and was effective on June 1, 2010. The BPA was for a period of one year with an estimated value of \$1 million and included 4 one-year options. No work has been awarded under this BPA and PBS officials have informed us that the options to the BPA will not be exercised.

JMA's technical qualifications and work product. Our interim audit memorandum noted that the task order file contains very little information as to why JMA was selected and did not contain any JMA work product. Our report noted that the work product PBS eventually provided to us showed no particular expertise and included some incorrect information.

The Regional Commissioner's written and oral statements noted that JMA was "experienced at digesting, evaluating, and translating technical data" PBS did not support this statement. In addition, in explaining why JMA was needed, the PBS Commissioner stated, "and in this case we needed that kind of expertise, not just your typical press releases, Web pages, internal communications, but we needed people who were able to help us distill complex, long-running information and help teach and train and communicate that to the public."

However, Jane Mobley's own statements indicate others could also have done the work. In an internal email dated February 4, 2010, Jane Mobley stated, "Maybe check the Far -other than a Simplified Acquisition is there any way to do this? They could Sole Source but it would really be arguable that no one else could do this but us. If it is SA [simplified acquisition], it has to be under \$100K. That won't carry them on as far as this should go. I told [EPA official] they might have to do phases."

Our review of the task order file and subsequent documentation did not uncover examples of JMA performing technical tasks. The file also did not include the resumes of the JMA staff that worked on the project. One of the main tasks reflected in the JMA work records² was the

² JMA files did not segregate JMA work product from that prepared by others. Some information such as frequently asked questions and tenant fact sheets were readily identifiable as not JMA product because these documents were prepared prior to the start of the task orders. However, for drafts of some press releases and other limited information after the start of the task order, the files did not indicate whether the documents originated at JMA or were edited by JMA.

recording of meeting notes. The file included many detailed hand written notes and subsequent typed versions of these notes. Other JMA product included a history of the Bannister Complex, descriptions of Government agencies, a draft communications plan, and a knowledge management plan. Much of the information was obtained from publicly available sources. For example, a February 4, 2010, JMA e-mail discussed the start of work on the project and stated, "Let's make a work-plan based upon what we know about crisis communication – plus what we can see on the web. There are some good plans near the surface on Google."

In addition, the Regional Commissioner written statement includes, "The Heartland Region and Jane Mobley Associates . . . created a contingency plan for an alternate site for the child care center." In response to our request for the contingency plan, PBS provided a one-page document that was prepared by a PBS associate.

Lastly, GSA's written statements reference a "communications plan" provided by JMA. However, the task order file included no communications plan and when we requested this work product, PBS could not locate it. PBS subsequently requested a copy of the communications plan from JMA. Interviews and emails indicate that an actual JMA draft communications plan was not provided until the end of the task order (May 2010) and was not used by the Agency.

Issue 3 - Price Comparison

Our interim report stated we could find no evidence supporting the basis for a price reasonableness determination. At the hearing, the Regional Commissioner stated, "GSA conducted a comparison of the prices from three vendors including JMA. Based on this price comparison, JMA had the lowest cumulative rates for the project, and the required labor mix to accomplish the work successfully."

Our review of the contract file revealed that GSA compared JMA's MAS labor rates with two East Coast MAS vendors that generally had higher labor rates. The labor categories for the two firms were not comparable to JMA's. In addition, the contracting officer could not explain why she selected the two firms that were used in PBS's price comparison.

We located two communications firms close to Kansas City that GSA did not use in its price comparison. A communications firm near Kansas City (with a schedule contract) was not considered and had much lower labor rates than JMA. We contacted this firm and they indicated to us that they could provide crisis communications in partnership with another named local firm. In addition, we identified a firm in Omaha, Nebraska (approximately three hours from Kansas City), with an MAS schedule contract for communication services. This contract states that the company has emphases in crisis communications and environmental programs. This firm's labor rates were also substantially lower than JMA's. Moreover, as stated in the branch chief's February 1, 2010 email, the contracting officer had identified other Missouri firms that could perform public relations work.

Appendix A
Federal Protective Service Report - Protest at the Child Care Center

FEDERAL PROTECTIVE SERVICE

** FOR OFFICIAL USE ONLY **

CASE NUMBER B10001008		Occur Date Span 01/27/2010 thru		Occur Time Span 08:03:00 thru		Report Date 01/27/2010		Report Time 10:15:00	
<input type="checkbox"/> Follow-up Report									
Code 1420	Type of Offense or Incident DEMONSTRATIONS AND DISTURBANCES - demonstration; peaceful						Arrive Date 01/27/2010	Arrive Time 10:07:00	
Building No. MO032AD	Address FED BLDG NO 4 1500 E WANDERLUST RD KANSAS CITY MO 64131						Rtn to Svc Dt 01/27/2010	Rtn to Svc Tm 10:30:00	
Incident Location		Agency Name GSA GENERAL SERVICES ADMINISTRATION						Agency Code 4700	
Est Num Dem <input type="checkbox"/> 1-10 <input type="checkbox"/> 11-50 <input type="checkbox"/> 51-100 <input type="checkbox"/> 101-300 <input type="checkbox"/> 301-500 <input type="checkbox"/> 500+ Est Num Evc <input type="checkbox"/> 0 <input type="checkbox"/> 1-10 <input type="checkbox"/> 11-50 <input type="checkbox"/> 51-100 <input type="checkbox"/> 101-300 <input type="checkbox"/> 301-500 <input type="checkbox"/> 500+									
NARRATIVE On 01/27/2010, at approx. 08:07 hours, I was dispatched to the Day Care Center on protestors on the grounds. On my arrival, I met with [REDACTED] and Day Care Personnel, who advised me that two people, an older white male [REDACTED] and older white female had piggy back behind an unknown parent and/or parents into the Day Care Center.									
INVOLVED PERSON <input type="checkbox"/> Victim <input type="checkbox"/> Witness <input checked="" type="checkbox"/> Suspect <input type="checkbox"/> Government Employee <input type="checkbox"/> Government Contractor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Missing Person									
No. 1		Name (last, first, middle)		Alias		Date of Birth / Age		Sex	Race
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		M	W
Address		City		State		Zip Code		Country	
[REDACTED]		Kansas City		MO		[REDACTED]		United States	
Driver's License Number		State	Social Security #	Nationality		Country of Birth		Home Phone	
[REDACTED]		MO	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]	
Scars, Marks, Tattoos / Other		Arrested		Citation Number		NCIC Number		Work Phone	
[REDACTED]		<input type="checkbox"/>		[REDACTED]		[REDACTED]		[REDACTED]	
Employer		Employer City		State		Employer Zip		Employer Country	
[REDACTED]		Kansas City		MO		[REDACTED]		[REDACTED]	
INVOLVED PERSON <input type="checkbox"/> Victim <input type="checkbox"/> Witness <input type="checkbox"/> Suspect <input type="checkbox"/> Government Employee <input type="checkbox"/> Government Contractor <input type="checkbox"/> Other <input type="checkbox"/> Missing Person									
No. 2		Name (last, first, middle)		Alias		Date of Birth / Age		Sex	Race
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		M	W
Address		City		State		Zip Code		Country	
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]	
Driver's License Number		State	Social Security #	Nationality		Country of Birth		Home Phone	
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]	
Scars, Marks, Tattoos / Other		Arrested		Citation Number		NCIC Number		Work Phone	
[REDACTED]		<input type="checkbox"/>		[REDACTED]		[REDACTED]		[REDACTED]	
Employer		Employer City		State		Employer Zip		Employer Country	
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]	
VEHICLE <input type="checkbox"/> Stolen <input type="checkbox"/> Damaged <input type="checkbox"/> Recovered <input type="checkbox"/> Suspect <input type="checkbox"/> Other <input type="checkbox"/> Govt <input type="checkbox"/> Evidence									
No.	License No	State	Reg Yr	Make		Model		Veh Yr	Value
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
R/O Name (last, first, middle)		Color		VIN		NCIC Number			
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]			
R/O Address		City		State		Zip Code		Country	
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]	
PROPERTY <input type="checkbox"/> Stolen <input type="checkbox"/> Damaged <input type="checkbox"/> Recovered <input type="checkbox"/> Suspect <input type="checkbox"/> Found <input type="checkbox"/> Other <input type="checkbox"/> Govt <input type="checkbox"/> Evidence <input type="checkbox"/> Weapon									
No.	Type		Make		Model		Color		
[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		
Owner Name (last, first, middle)		Serial Number		Value		NCIC Number			
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]			
Address		City		State		Zip Code		Country	
[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]	
Officer Name/Signature / ID#				Date		Supervisor		Date Approved	
[REDACTED]				01/27/2010		[REDACTED]		[REDACTED]	
Distribution: <input type="checkbox"/> Investigations <input type="checkbox"/> ALISA <input type="checkbox"/> Local Prosecutor <input type="checkbox"/> RO <input type="checkbox"/> Other									
Case Status: <input type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Unfounded									
TECSII Case Number:									
								3155 Report	
								Page 1 of 2	

FEDERAL PROTECTIVE SERVICE

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Narrative Continuation

2010-01-27 11:16:45.95

On 01/27/2010, at approx. 08:37 hours, I was dispatched to the Day Care Center on protestors on the grounds.

On my arrival, I met with [REDACTED], [REDACTED], and Day Care Personnel, who advised me that two people; an older white male [REDACTED] and older white female had piggy back behind an unknown parent and/or parents into the Day Care Center.

The Day Care Center employee advised me that she had stopped the couple (SUs) and that they advised her that they wanted information about NBC's news story aired last night on trichloroethylene contamination in the area and they (SUs) also wished to pass printed article from NBC, to the parents of the Day Care Center for they (parents) could be aware of the hazards their kids could be exposed to.

The Day Care Center employee advised me that she told the couple that they would have to respond to building 50 and first ask permission before to pass out any article on Government property.

Here the story was picked up by [REDACTED] who stated that the couple (SUs) then responded to the South Field Office and started asking questions about the NBC news story and handing out the news article to the parents. [REDACTED] say that she advised the couple (SUs) that they needed to ask [REDACTED] of GSA for permission about passing out anything on Government property. [REDACTED] said that the couple left the area.

While attending an emergency board meeting with GSA and the Day Care Center personnel, I received a telephone call from the console guard at 1500 E. Bancroft Rd., that the couple (SUs) was now at Lobby 16, wishing to speak with someone from GSA.

Inspector [REDACTED] and I responded to Lobby 16 where we met with [REDACTED] and his female companion.

[REDACTED] advised us that he was wishing to speak with [REDACTED]. I handed [REDACTED] the business card of [REDACTED] and advised him that he needed call him to make appointment with him. [REDACTED] then stated that he was tax payer and that he had the right to pass the NBC news article. I advised [REDACTED] the Government has rules and regulations governing their property and that he was now in violation of those rules.

[REDACTED] stated that the Kansas City council was in agreement with him and that he was demanding answers, whereupon I advised [REDACTED] that the Kansas City Council had no powers on federal property and that he needed to leave.

[REDACTED] argued short while longer but finally left the property.

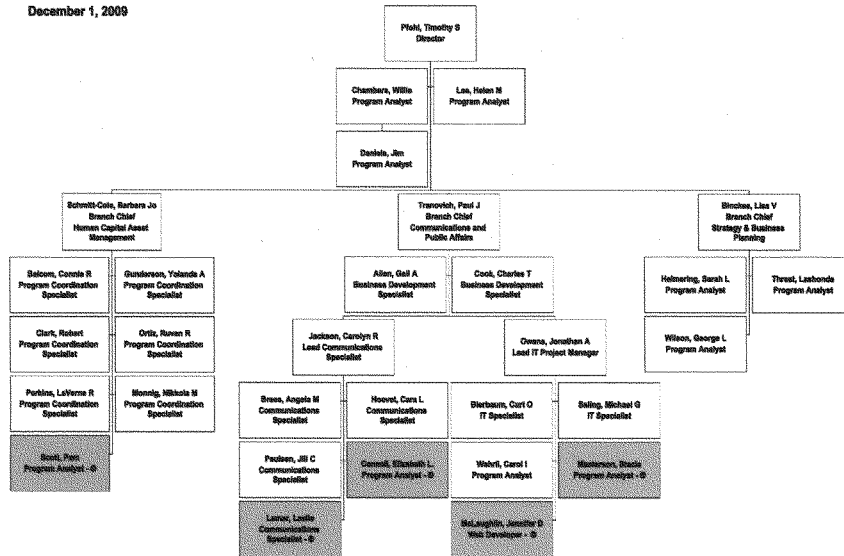
OFFICER [REDACTED]
CASE NUMBER B10001008

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3155 Report
Page 2 of 2

Appendix B
General Services Administration
Public Buildings Service, Heartland Region
Communications and Public Affairs Branch Organizational Chart

Organizational Resources Division - 6PG
December 1, 2009



Appendix C
Excerpts From Position Descriptions For
The Communications and Public Affairs Branch Staff

Position	Staff in KC	PD Requirements, in part
Business Development Specialist	2	<ul style="list-style-type: none"> ➤ Serves as liaison between the Heartland ARA and other PBS officials and Congressional staffs, contractor representatives, state and local officials and the local media and press. ➤ Plans, develops, implements and promotes the regional PBS public information program, including the development and review of press releases, presentations to the press and local media, internal communications and establishing and maintaining effective working relationships with local media and community groups. ➤ Develops presentations and programs to brief high-level PBS customers and members of Congress, high level agency officials, private sector executives and news media on the functions, programs, services provided by The Heartland Region Public Buildings Service. ➤ Where advantageous to the taxpayer, serves as Contracting Officer's Technical Representative (COTR) for managing the delivery of Marketing deliverables which include (but are not limited to) event management, mass mailings, targeted marketing strategies, studies, management presentations, publication preparation and publishing, and other promotional materials.
Communications Specialist	4	<ul style="list-style-type: none"> ➤ Serve as a central researcher, writer, editor, proofreader, and production coordinator for a variety of multi-media communications deliverables. Identifies appropriate subject matter experts, interviews for key message ideas and "translates" trade-specific information into clear, concise expressions for the targeted audience/client base. Specifically, projects require the employee to develop proposals for communication – defining audiences and messages, organizing thoughts, selecting media (e.g. brochures, CD-ROM, booklets, video, PowerPoint presentations, etc.), creating distribution methods, and providing creative expertise for supporting materials. ➤ Works closely and effectively with many levels of employees within the organization. Duties include coordinating speakers, logistics (location, time/date, security, etc.), photographers, media and public announcements, printed programs/schedules and a variety of collateral materials, and often require the individual to act as lead coordinator in designating support personnel and scheduling key milestones related to these events. ➤ Conducts research and prepares reports containing clearly defined findings and recommendations regarding the development of PBS regional communications programs, standards and plans.
Lead Communications Specialist	1	<ul style="list-style-type: none"> ➤ Similar requirements to the Communications Specialist with additional managerial requirements.

Position	Staff in KC	PD Requirements, in part
ns Specialist		
Program Analyst	2	<ul style="list-style-type: none"> ➤ Program Analyst will work independently with PBS Division Directors and top management to provide comprehensive communications support. This communications support includes, but is not limited to creating internal and external communications documents, planning and organizing special events and programs, conducting interviews and writing articles for internal and external publications, i.e. newsletter articles, press releases, brochures, programs, etc. ➤ Additionally, the person in this position will research, identify and implement communication strategies based on organizational need; advise top management officials on communications issues to include sharing ideas and methods to improve communications within an organization and the region.

